

AGENDA
EXECUTIVE FINANCE COMMITTEE
February 22, 2017 at 1:30 P.M.

Location: Treasury Conference Room, KC Admin. Bldg., Room 610 (6th Floor)

Committee Members: Councilmember Dave Upthegrove, Chair, Dwight Dively, Director PSB; Ken Guy, Director FBOD; Caroline Whalen, County Administrative Officer

Staff: Scott Matheson, Treasury Operations Manager; Mike Smith, Chief Investment Officer; Christine Denis, Credit Analyst; Manny Cristobal, Financial Accounting Supervisor

AGENDA ITEMS

1. **Action:** Approval of Minutes of the December 7, 2016 Executive Finance Committee meeting (pages 2)
2. **Action:** **Interfund Loan of Surplus King County Cash (Chapter 4.24 of KC Code):** Approval of a request from the Long Term Lease Fund 3310 to increase the borrowing amount on their existing interfund loan from \$2 million to \$4 million. (pages 3-5)
Elissa Benson, Deputy Director Facilities Management Division
3. **Action:** Long-term Investment Option (pages 6-15)
Mike Smith, Chief Investment Officer
4. **Action:** Restrictions Against Wells Fargo Bank (pages 16-21)
Ken Guy, Director FBOD
5. **Briefing:** Annual Pool Meeting Participant Survey Results (pages 22)
Mike Smith, Chief Investment Officer
6. **Briefing:** December 2016 Investment Summary
 - Issuer Diversification , Credit Exposure and Compliance Report (page 23)
 - King County Investment Pool Yield & Duration versus Custom Benchmark (page 24)
 - Detailed Transaction Report - Investment Activity Summary (page 25)
 - King County Investment Pool Asset Allocation (page 26)
 - King County Investment Pool Maturity Distribution (page 27)
 - Investment Performance Review & Impaired Pool Summary (pages 28-35)
 - Interest Rate Summary (page 36)*Mike Smith, Chief Investment Officer*
7. **Action:** Committee's direction for investment of idle cash balances of specific County funds not needed for immediate expenditure.

Staff Recommendation: Direct the Treasury Section to target the maximum average duration of the King County Investment Pool at the 0.8 to 1.3 year range.

Mike Smith, Chief Investment Officer
8. **Briefing:** Interfund Borrowing for December 2016 (page 37)
 - Interfund Interest Report – County Tier 2 Funds
 - Pooled Tier 1 County Funds with Negative Cash Balances
 - Excluded County Funds with Negative Balances – Tier 2 Funds Not Paying Interest*Bill Forristall, Business & Finance Officer IV*
 - Interfund Loans Among District & Non-County Funds (page 38)
 - Interfund Borrowings – EFC Approved Loans (page 39)*Mike Smith, Chief Investment Officer*

OTHER BUSINESS

ADJOURNMENT

MINUTES
EXECUTIVE FINANCE COMMITTEE
January 25, 2017

The Executive Finance Committee (EFC) Meeting was held January 25, 2017 at 1:30 and adjourned at 2:30 p.m.

Members Present

Dave Upthegrove
Dwight Dively
Caroline Whalen
Ken Guy

Others Present

Patrick Hamacher
Andrew Kim
Peggy Pahl
Jennifer Merkel
Dan Kaplan, IPAC
Gary Prince, IPAC
John Molloy, PFM
Paul Schneider, PFM

Others Present -

Continued

Mike Smith
Christine Denis
Scott Matheson
Manny Cristobal
Nigel Lewis
Dave Reich

Members Absent

ACTION ITEMS

1. **Minutes** – The Committee unanimously approved the Minutes of the December 7, 2016 Executive Finance Committee meeting.
2. **“Official Intent” Motion** – The Committee unanimously approved the motion documenting the County’s intent to obtain financing for the various projects listed in the motion. The County reasonably expects to incur indebtedness and to issue bonds in a maximum aggregate principal amount of \$11,600,000 for all or a portion of the costs of the projects and, prior to the issuance of the obligations, to fund all or a portion of the costs of the projects through the current cash balance or one or more interfund loans.
3. **Investment Direction** – The Committee unanimously approved the Treasury recommendation to maintain the maximum effective duration of the King County Investment Pool in the 0.8 to 1.3 year range.

BRIEFINGS

1. **Quarterly Review of Investment Pool** – John Molloy of PFM presented the fourth-quarter review of the King County Investment Pool. He provided the Committee with an overview of market conditions in the fourth quarter. In his assessment of the pool’s condition, he noted that the pool was well managed and in compliance with all policies. He noted that the pool was very liquid, well diversified, and held strong credits. Additionally, he commented that the pool’s investment team was managing the pool in a manner that was consistent with market conditions and was doing the same type of trades that PFM was doing for its own accounts.
2. **Long-term Investment Option** – The Committee reviewed a draft of the Long-term Investment Option. After their review, they requested that the Treasury team clarify when EFC approval is needed for subsequent additions, and they also requested that language be added to address sales that would generate a realized loss for a County fund. They indicated that this language should be similar to the realized loss language in the pool’s investment policy. The Treasury team informed the Committee that they would make these edits and then meet with Investment Pool Advisory Committee (IPAC) members to give them a final opportunity to comment on the revised policy. A final draft would then be presented to the Committee for approval at its February meeting.
3. **December 2016 Investment Summary** – The Committee was provided a summary report showing the pool was in compliance with all its policies, reviewed investment performance, and monthly investment activity. In addition, the Committee reviewed the distribution of investment holdings by maturity, security type, credit rating, and issuer. The Committee was updated on the payments received from the VFNC Trust investment, and they were informed of the possibility that the Receivers for Rhinebridge and Cheyenne may make some cash payments to the senior creditors during 2017. Committee was also briefed on the current interest rate and economic environment.
4. **December 2016 Interfund Borrowing** – The Committee was provided a review of both County and non-county interfund borrowing. The Committee was informed that the Long-term Lease Fund 3310 was over its loan limit, and Caroline Whalen stated that she would follow up on behalf of the Committee with the fund’s manager.

OTHER BUSINESS

None

for



Scott Matheson, Treasury Manager



King County

Facilities Management Division

Anthony Wright, Division Director

Department of Executive Services

500 Fourth Avenue, Room 800

Seattle, WA 98104

Phone: (206) 477-9352

Fax: (206) 205-5070

February 17, 2017

TO: Mike Smith, Investment Officer, Finance & Business Operations Division

FM: Anthony Wright, Division Director, Facilities Management Division

RE: Request for Executive Finance Committee Approval for Inter-fund Loan Borrowing

In December of 2016, the EFC approved a \$2.0 million interfund loan for the Long Term Lease Fund (LTLF) to address the anticipated negative cash flow to be caused by the Phase 4 of the King Street Center Consolidation project spending. This loan was approved to be repaid from revenue collections from the streamlined central rate through end of next two biennia.

The Facilities Management Division is requesting a second \$2.0 million interfund loan to address an ongoing seasonal cash flow issue and a revenue shortfall caused by the decision to hold the vacant space for county's space need growth rather than renting to non-County tenants. The vacant space was made available due to the KSC space efficiency projects approved by Council.


The repayment of this additional loan amount is anticipated to be paid from revenue that will be available when King Street Center transitions from private building management to King County management. This revenue is anticipated to be available in August 2017.

During the duration of this interfund loan, the seasonal cash flow issue will be addressed both administratively and through a policy requiring a minimum fund balance to avoid the ongoing year end shortfall.

I appreciate your consideration of this request. Please feel free to contact Hanh Mai, Finance & Administrative Services Manager, FMD, at (206) 477-9377 if you have questions or need additional information.

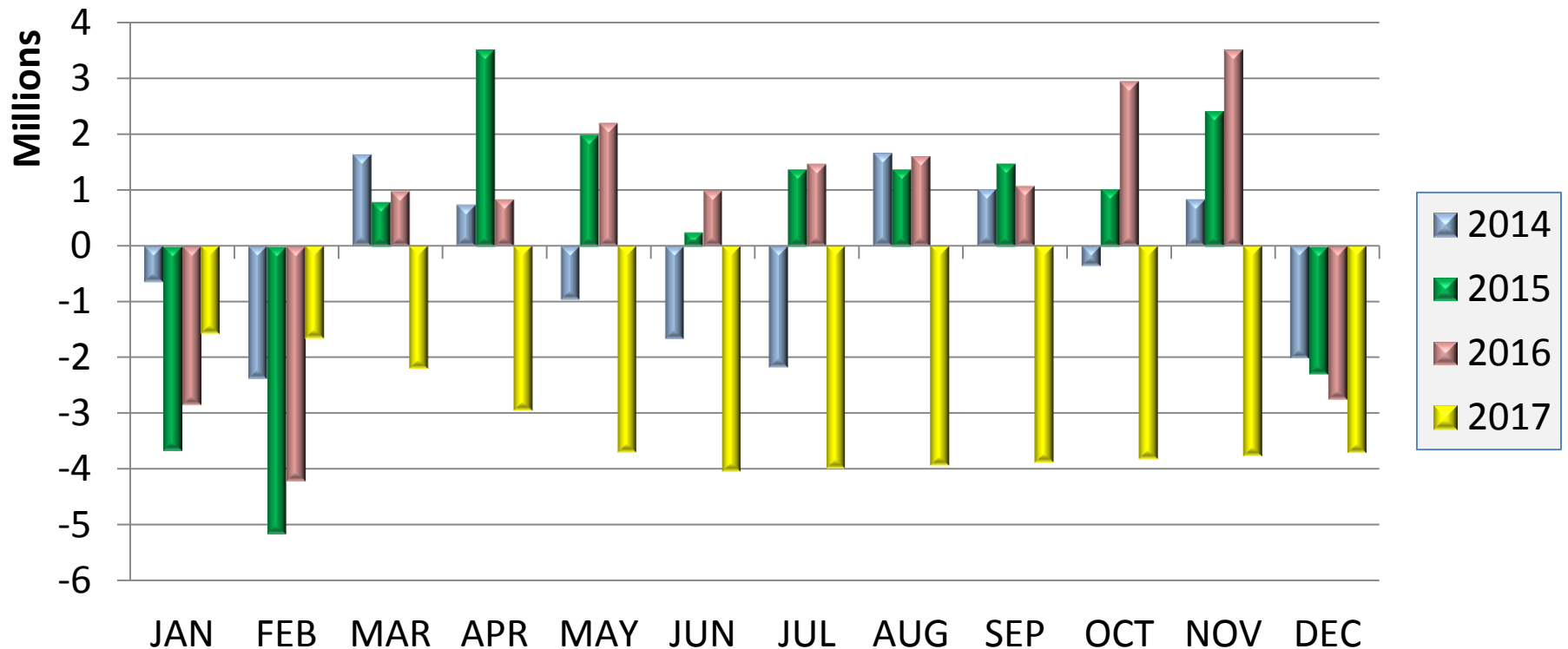
Cc: Scott Matheson, Treasure Manager, Finance & Business Operations Division, DES
Leo Griffin, Acting Operations Manager, FMD, DES
Sid Bender, Budget Manager, PSB

APPENDIX III – COUNTY FUND APPLICATION FORM

 King County COUNTY FUND APPLICATION FOR INTERFUND LOAN		
COUNTY FUND MANAGER CONTACT INFORMATION		
Fund name and number: Long Term Lease Fund / 000003310		
Fund Manager: Hanh Mai	Fund Manager Title: Finance & Administrative Services Manager	
Contact name (if different): Carolyn Mock	Contact title: Business & Finance Officer II	
Phone: 477-9377	Fax: 205-5070	
BORROWING REQUEST DETAILS		
Fund name:	Fund number:	
Term of loan requested (projected start and end date): December 1, 2016 – December 31, 2023		
Is this a new loan request or a request to modify an existing loan? Request to modify an existing loan		
Has this loan request been reviewed by Office of Performance, Strategy and Budget? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If "Yes", list the name of the reviewer: Sid Bender		
If this a "Funds Transfer Loan" as defined in Section 5.9 of the County's Interfund Loan Policy complete Part A. otherwise complete Part B		
PART A		
Provide both the fund name(s) and fund number(s) of the lending fund(s).		
Who has determined whether the lending fund(s) designated above is legally able to finance this loan?		
PART B		
For "Automated Interest Loans" as defined in Section 5.3 list the maximum negative cash balance forecasted during term of loan : \$4,000,000		
ADDITIONAL INFORMATION		
<u>Why is this borrowing necessary?</u> to address an ongoing seasonal cash flow issue and a revenue shortfall caused by a decision to hold the vacant space for county's space needs growth rather than rent to non-County tenants. The vacant space was made available as a result of the KSC space efficiency projects approved by Council.		
<u>What will be the source of the funds to repay the interfund loan?</u> The repayment of this additional loan amount is anticipated to be paid from revenue that will be available when King Street Center transitions from a private building manager to King County management. This revenue is anticipated to be available in August 2017.		
If the interfund loan involves a project that is or will be related to a bond issue, has this interfund loan proposal been reviewed by the Treasury Operations Compliance Officer? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not bond issue.		
FUND MANAGER AUTHORIZED SIGNATURE (REQUESTING INTERFUND LOAN)		
Signature:		
Print Name: Hanh Mai		
Title: Finance & Administrative Services Manager		
Date: 2/17/17		
Please include with this application a cash flow forecast showing the fund's cash needs over the expected borrowing period. See attached graph.		
Interfund loan approved? Yes <input type="checkbox"/> No <input type="checkbox"/>	Date Approved/Denied:	Loan interest rate:
Maximum interfund loan amount approved \$	Repayment date:	
Other special loan terms or comments:		

Long-term-lease fund (3310)

Cash Balance Analysis



**FINANCE AND BUSINESS OPERATIONS DIVISION
KING COUNTY
STATEMENT OF INVESTMENT POLICY**

SCHEDULE VIII

Pool-Plus – Long-Term Investment Option

Purpose

This policy is adopted by King County's Executive Finance Committee (EFC) to address the circumstances under which County agencies or districts can invest funds beyond the maximum maturity limit established for the King County Investment Pool (KCIP). There are circumstances where the investment horizon of the KCIP is not aligned with the long-term investment horizon of the agency or district. This policy provides an investment option that allows a participant in the KCIP to request the County to combine a portfolio of individual long-term securities in the same fund that is invested in the KCIP (RCW 36.29.022). The pooling of the long-term portfolio with the KCIP provides the ability to invest at durations longer than the KCIP, while maintaining access to the liquidity of the KCIP. The Pool-Plus program will allow qualifying funds to invest over longer durations recognizing there are: (1) potential risks such as increased price volatility and the possibility of selling securities before maturity to pay unexpected expenditures could result in a loss of principal; (2) benefits from reducing reinvestment risk which improves the predictability of future budget revenue; (3) and potential rewards such as increased earnings.

Goals

The policy is intended to serve the following goals:

- Provide an investment option for funds with investment horizons far beyond the maximum maturity limit of the pool.
- Minimize credit risk exposure that long-term investments outside the KCIP will face.
- Minimize the possibility of negative financial impacts on current pool participants.
- Ensure that a fund requesting to invest in long-term investments outside the pool understands, and accepts, the greater price volatility that is inherent in longer term investments.
- Minimize any operational burden that would distract the investment team from its primary mission of managing the investment pool.

Eligibility Criteria

1. Only County agencies or district funds for which the County serves as *ex officio* treasurer are eligible.
2. Funds that are short-term in nature will not be eligible. Some examples of short-term funds that would generally not be eligible include operating funds, general funds, current expense funds, bond financed construction funds subject to rebate, etc.
3. Funds must have investment horizons that extend beyond 5 years, and the possibility of having to sell investments prior to maturity must be extremely unlikely. This ensures that the purpose is to minimize reinvestment risk and not to assume higher risk levels in the sole hope of capturing higher yields by assuming greater market risk.
4. To minimize the operational burden on the investment team, funds must have at least \$5 million available for investment outside of the reserve that will be maintained in the KCIP. However, when more than 75% of the available funds are designated for the KCIP, the combined duration becomes closer to the KCIP's, and this may result in the fund not being approved for the Pool-Plus program because the goal of investing for a longer time horizon than the KCIP's is not being satisfied, and the work load for the investment team is increased.
5. County agencies and districts wishing to participate in the Pool-Plus program must complete the appropriate application. (See Appendix 1 for districts and Appendix 2 for County agencies.)
6. To protect the soundness of the KCIP, the EFC must approve all applications to participate in the Pool-Plus program which validates that the requesting fund has a true business need to participate in the Pool-Plus program. This reduces the likelihood that a Pool-Plus participant can harm other KCIP participants by moving money out of the KCIP when the KCIP rate is low and then moving the funds back when it is high. An application from a fund that has previously terminated its participation in the Pool-Plus program, and then reapplies, can expect its request to receive additional scrutiny.

Eligible Securities

The KCIP will be used for the liquidity portion of the portfolio, while the following investment types will be used for the longer term investments:

- A. U.S. Treasuries or securities with full faith and credit of the U.S. government backing them.
- B. Senior debt obligations issued by U.S. agencies, instrumentalities, or government-sponsored enterprises such as Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), and Federal Home Loan Mortgage Corporation (FHLMC). While these agencies have credit ratings equivalent to the U.S. government, they are not explicitly guaranteed by the U.S. government. Financial market participants view them as having an "implied guarantee" because these agencies were chartered by Congress.

The investment team will be responsible for selecting the mix of securities between U.S. Treasury and agency securities. However, the fund's management and governing body may request that only U.S. Treasury securities be purchased.

The investment team will limit purchases to the above sectors because they have extremely low levels of credit risk and trade in liquid markets. The investment team will also not purchase securities with prepayment risk like mortgage-backed or callable securities. Since longer term securities that have a higher exposure to market risk from changes in interest rates, compounding the risk exposure by adding credit and prepayment risk is not the best option for a passive, long-term strategy.

Investment Strategy

The investment strategy for a fund approved for the Pool-Plus program will consist of two parts: The KCIP and the longer term investments. The KCIP will hold any reserve that will be used for liquidity or as an extra cushion to reduce the probability that a longer term security would have to be sold before maturity.

Two investment options will be offered for the long-term investment program. Option 1 is a 10-year ladder strategy. A 10-year bond ladder will generally consist of 10 fixed-income securities of equal size invested with maturities from 1 to 10 years. The investment team will attempt to keep the average maturity of funds using Option 1 between 4 and 6 years.

Example: A pool participant has a reserve fund with \$20 million that will be used to replace infrastructure. They expect the expenditure will take place in 40 years. However, there is also a possibility that a natural disaster or unexpected event might cause them to have to spend funds before then. Their management and governing body decides to maintain a liquidity/contingency balance of \$10 million in the KCIP. This would leave \$10 million for the bond ladder. The example below shows how this ladder strategy might look.

Year	Amount Invested
1	\$1 million
2	\$1 million
3	\$1 million
4	\$1 million
5	\$1 million
6	\$1 million
7	\$1 million
8	\$1 million
9	\$1 million
10	\$1 million
Total	10 million

With \$10 million in the KCIP and \$10 million in the ladder the average duration of this fund would be about 3 years, which is approximately 3 times greater than the KCIP's usual duration.

Option 2 will be available for funds that have \$25 million or more and that believe Option 1 does not adequately meet its investment objectives. If the investment team concurs that Option 1 is not workable for the fund, they will work with fund to develop an investment plan that better meets the unique cash flow and other objectives of the fund.

Whenever it is reasonable, the investment team will attempt to add to securities already held in its portfolios, instead of buying a new security. This will reduce the number of securities held, which will reduce safekeeping expenses. The investment team will also attempt to consolidate purchase requests from multiple entities into one trade. This will also help to reduce safekeeping and trading expenses.

Operational Features

- Adding additional monies to Option 1 and 2 after the initial investment:
 - When a security matures in the Option 1 or 2 programs new money can be added to the reinvestment of the proceeds.
 - On a quarterly basis new money can be added by emailing the request to investment.pool@kingcounty.gov. The request period is open the last 10 business days of any quarter. The investment team will compile the requests, and will place new investments usually within the first 5 business days of the new quarter (e.g., requests received in the last 10 business days of December will generally be placed in the first 5 business days of January).
 - Minimum quarterly addition is \$1 million for Option 1.
 - Minimum quarterly addition is \$5 million for Option 2.
 - Should the amount requested to be invested exceed line (C) from the Fund Details section of the application most recently approved by the EFC, a new application and EFC approval will need to be obtained.
- Communications
 - The investment team will contact authorized personnel before reinvesting the proceeds from maturing investments or when investing new money to discuss the new investment purchase.
 - If the investment team identifies an opportunity to improve or rebalance the participant's long-term portfolio, they will consult with authorized personnel before taking any action that requires a sale before maturity.
 - Pool-Plus participants should communicate any material change in their cash flow or financial condition that could impact their ability to continue participating in the Pool-Plus program as soon as possible.
- It is expected that securities purchased under Option 1 or 2 would normally be held to maturity, but if the investment team and the Pool-Plus participant agree that a sale would be beneficial, sales will be allowable. However, if a sale would generate a realized loss, the investment team would inform the Director of the

size of the loss and why the sale is being requested. The Director shall then inform the EFC of such decision in advance of executing the transaction with the understanding the Director has the authority to inform the EFC after the transaction in circumstances that require an expedited decision.

- Coupon payments will automatically be invested into the KCIP.
- King County has the right to modify the investment options available to Pool-Plus program participants when it deems it prudent to do so.
- There will be no additional fees to participate in the Pool-Plus program. The fees agreed to in the KCIP Agreement and the King County Cash Management Services Agreement Investment will apply to the invested balances in the funds that participate in the Pool-Plus program.
- All investment-related decisions and transactions will be made by those individuals designated by the Director.
- The Pool-Plus program is based on a long-term, passively managed strategy. Any attempt by a participant in the Pool-Plus program to shift dollars between the KCIP and Options 1 or 2 that appears to be harmful to the effective management of the County's investment operations will not be allowed. To protect other KCIP participants, the EFC has the power to terminate a fund's ability to participate in the Pool-Plus program with 90 days' notice to the agency or district. The agency or district may terminate this agreement with 45 days' notice.

Acceptance of Risk

Any fund that requests the ability to invest in long-term investments outside the KCIP will be required to attest that they can tolerate the price volatility associated with long duration securities. In the case of County funds, this acceptance of price risk must be approved by the fund's financial manager and by the department director. In the case of districts, an authorized person must sign the request and the district's governing board must submit a resolution attesting that they can tolerate and accept the risks associated with long-term investments.

As long as the securities are held to maturity, unrealized losses will diminish over time because the investor will receive the face amount (assuming no credit default) at maturity. However, unrealized losses may matter in certain types of funds. For instance, if a reserve fund needs to have a minimum market value and the fund falls below this level; the fund manager may have to transfer more funds to bring the fund back to its required balance. If other funds are not available to transfer in, this may cause the fund to be out of compliance with its legal commitment.

Any unrealized or realized gains/losses in a fund's investments in Option 1 or 2 of the Pool-Plus program will belong solely to that fund because those assets are the direct investments of the participant and are not assets of the KCIP. Realized and unrealized gains/losses in the KCIP will be governed by the agreements and policies that it operates under.

Being public entities, participants in Options 1 and 2 are also subject to increased reputational risk. This is the risk that government officials may lose stature if the market value of their investments falls significantly. Participants must understand that the

overall length of the investments in Options 1 and 2 cause these options to have more market risk and less liquidity than the KCIP. Unrealized or realized losses could generate extra scrutiny by the media, constituents, auditors, etc., and this could have negative consequences for the officials involved.

Those entities considering Options 1 and 2 should also be aware that the County's uses accounting practices that are consistent with Governmental Accounting Standards Board (GASB) accounting standards. These means that the County amortizes/accretes premiums and discounts on a monthly basis and annually marks securities to their fair market as required by GASB Statement No. 31. Those considering the Pool-Plus option should make sure their organization is comfortable with these accounting practices.

APPENDIX 1

DISTRICT APPLICATION POOL-PLUS OPTION PART 1

DISTRICT CONTACT INFORMATION

District name:		Date:
Contact name:	Contact title:	
Phone:	Fax:	E-mail:
District address:		
City:	ZIP code:	

FUND DETAILS

Fund name:	Fund number:
Fund type (general, capital, reserve, etc.):	
Balance in the fund as of the most recent month-end: \$	
(A) Amount of fund balance to be invested in Option 1 or 2 upon approval: \$	
(B) Over a 10-year horizon, what is the cumulative amount you expect to add to Option 1 or 2? \$	
(C) Total of lines (A) and (B): \$	

ADDITIONAL INFORMATION (CAN BE SUBMITTED ON EXTRA SHEET)

What business need do you have that makes Option 1 or 2 appropriate for your organization?

Which long-term option is the fund requesting? ☐ Option 1 (ladder) ☐ Option 2 (Custom)

Please attach your 10-year financial analysis that supports (B) above.

Are there any circumstances that might delay or reduce future revenue collections? If so, please describe.

Are there any circumstances that might accelerate or increase future expenditures? If so, please describe.

What impact would an unrealized loss in the range of 3 to 15 percent have on the fund?

DISTRICT AUTHORIZED SIGNATURE (REQUESTING POOL-PLUS OPTION)

Signature:	
Print Name:	
Title:	
Date:	

Important – Please Include the Following Attachment:

- **Copy of the governing body's resolution requesting the Pool-Plus investment option from King County.**

KING COUNTY EXECUTIVE FINANCE COMMITTEE REVIEW (COUNTY USE ONLY)

Part 1 signed & resolution received? Yes <input type="checkbox"/> No <input type="checkbox"/>	Part 3 signed & resolution received? Yes <input type="checkbox"/> No <input type="checkbox"/>
Pool-Plus Option Approved by EFC? Yes <input type="checkbox"/> No <input type="checkbox"/>	Date Approved/Denied:
Copy sent to district? Yes <input type="checkbox"/> No <input type="checkbox"/>	Option approved: <input type="checkbox"/> Option 1 (ladder) <input type="checkbox"/> Option 2 (Custom)

INSTRUCTIONS

1. District completes and signs Part 1 above, and emails it to: Investment.Pool@kingcounty.gov.
2. King County completes Part 2 and returns to the district.
3. The district completes Part 3 and returns the signed document along with the governing body's resolution. Once this step is completed, the request will be brought before the EFC for its consideration. If the County does not receive a completed Part 3, the County will assume the district has dropped their request.

APPENDIX 1 (CONTINUED)
DISTRICT APPLICATION

ACKNOWLEDGEMENT AND ACCEPTANCE OF ALL RISKS

PART 2 (COMPLETED BY KING COUNTY)

DISTRICT INFORMATION

District name:	Fund Number:	Date:
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20-YEAR INTEREST RATE ANALYSIS FOR 5 AND 10 YEAR TREASURY NOTES

INTEREST RATE SHOCK ANALYSIS (RATES UP 100, 200, & 300 BASIS POINTS)

PART 3 (COMPLETED BY DISTRICT)

After relying on our own due diligence and reviewing the brief analysis prepared by King County above, the district requests EFC approval of our Pool-Plus Investment Option Application (select one): Yes ☐ No ☐

The district requests that King County buy only securities that are issued by the U.S. Treasury or are backed by the full faith and credit of the United States be purchased for the bond ladder (select one): Yes ☐ No ☐

DISTRICT AUTHORIZED SIGNATURE

Signature:

Print Name:

Title:

Date:

If "Yes" is Selected in Part 3, Please Include the Following Attachment:

- Copy of the governing body's resolution acknowledging that the district is relying on its own due diligence and has reviewed the information provided by King County in Part 2 above and that it agrees to abide by the policies for the Pool-plus Option. The resolution must also state that the district accepts the market risk and the risk that the district could experience an actual loss or principal if it must sell an investment before maturity, and it must designate at least 2 people that are authorized to provide transaction instructions to the investment team..

APPENDIX 2

KING COUNTY AGENCY APPLICATION POOL-PLUS OPTION PART 1

AGENCY CONTACT INFORMATION

Department & division name::		Date:
Contact name:	Contact title:	
Phone:	Fax:	E-mail:
District address:		
City:		ZIP code:

FUND DETAILS

Fund name:	Fund number:
Fund type (general, capital, reserve, etc.):	
Balance in the fund as of the most recent month-end: \$	

- | |
|--|
| (A) Amount of fund balance to be invested in Option 1 or 2 upon approval: \$ |
| (B) Over a 10-year horizon, what is the cumulative amount you expect to add to Option 1 or 2? \$ |
| (C) Total of lines (A) and (B): \$ |

ADDITIONAL INFORMATION (CAN BE SUBMITTED ON EXTRA SHEET)

<u>What business need do you have that makes Option 1 or 2 appropriate for your organization</u>
<u>Which long-term option is the fund requesting?</u> <input type="checkbox"/> Option 1 (ladder) <input type="checkbox"/> Option 2 (Custom)
<u>Please attach your 10-year financial analysis that supports (B) above.</u>
<u>Are there any circumstances that might delay or reduce future revenue collections? If so, please describe.</u>
<u>Are there any circumstances that might accelerate or increase future expenditures? If so, please describe.</u>
<u>What impact would an unrealized loss in the range of 3 to 15 percent have on the fund?</u>

FUND MANAGER - AUTHORIZED SIGNATURE (REQUESTING POOL-PLUS OPTION)	DEPARTMENT DIRECTOR - AUTHORIZED SIGNATURE (REQUESTING POOL PLUS OPTION)
Signature:	Signature:
Print Name:	Print Name:
Title:	Title:
Date:	Date:

KING COUNTY EXECUTIVE FINANCE COMMITTEE REVIEW (COUNTY USE ONLY)

Part 1 signed? Yes <input type="checkbox"/> No <input type="checkbox"/>	Part 3 signed? Yes <input type="checkbox"/> No <input type="checkbox"/>
Pool-Plus Option Approved by EFC? Yes <input type="checkbox"/> No <input type="checkbox"/>	Date Approved/Denied:
Copy sent to agency? Yes <input type="checkbox"/> No <input type="checkbox"/>	Option approved: <input type="checkbox"/> Option 1 (ladder) <input type="checkbox"/> Option 2 (Custom)

INSTRUCTIONS

1. Agency completes and signs Part 1 above, and emails it to: Investment.Pool@kingcounty.gov.
2. King County Treasury Section completes Part 2 and returns to the agency.
3. The agency completes Part 3 and returns the signed document signed by both the Fund Manager and Division Director document Director that shows that they acknowledge and accept the risks involved with the Pool-Plus option. Once this step is completed, the request will be brought before the EFC for its consideration. If the King County Treasury Section does not receive a completed Part 3, the County will

assume the agency has dropped their request.



King County

APPENDIX 2 (CONTINUED)

**KING COUNTY AGENCY APPLICATION
ACKNOWLEDGEMENT AND ACCEPTANCE OF ALL RISKS**

PART 2 (COMPLETED BY KING COUNTY TREASURY SECTION)

AGENCY INFORMATION

Agency name:

Fund Number:

Date:

20-YEAR INTEREST RATE ANALYSIS FOR 5 AND 10 YEAR TREASURY NOTES

INTEREST RATE SHOCK ANALYSIS (RATES UP 100, 200, & 300 BASIS POINTS)

PART 3 (COMPLETED BY AGENCY)

The agency accepts the market risk and the risk that the agency could experience an actual loss or principal if it must sell an investment before maturity. After relying on our own due diligence and reviewing the brief analysis prepared by King County Treasury Section above, the agency requests EFC approval of our Pool-Plus Investment Option Application (select one): Yes ☐ No ☐

The agency requests that King County buy only securities that are issued by the U.S. Treasury or are backed by the full faith and credit of the United States be purchased for the bond ladder(select one): Yes ☐ No ☐

The Department's Director must also designate at least 2 people that are authorized to provide transaction instructions to the investment team.

**FUND MANAGER - AUTHORIZED SIGNATURE
(REQUESTING POOL-PLUS OPTION)**

**DEPARTMENT DIRECTOR - AUTHORIZED SIGNATURE
(REQUESTING POOL PLUS OPTION)**

Signature:

Signature:

Print Name:

Print Name:

Title:

Title:

Date:

Date:

Issue Paper: King County Restrictions Against Wells Fargo Bank

Updated February 14, 2017

Issue:

Wells Fargo Bank has been in the national media spotlight for opening fictitious bank accounts and credit card accounts that customers did not authorize. On February 7, the Seattle City Council voted to sever its banking services contract with Wells Fargo by the end of 2018. Other government entities which have business dealings with Wells Fargo have either announced sanctions, or are considering sanctions, that would suspend their current business relationships with the bank.

In October 2016, an earlier version of this issue paper presented the question: *Should King County apply its own restrictions against Wells Fargo and what are the immediate and potential long run implications of doing so?* Based on a review by Executive leadership, the Treasury Operations section of the Finance and Business Operations Division (FBOD) began taking initial steps in October 2016 to implement recommendations presented in the last section of this paper, including several restrictions. This updated issue paper highlights the status of those recommendations and FBOD will be seeking the formal review and approval of these recommendations by the County's Executive Finance Committee (EFC)

Background:

The County adopted a socially responsible banking ordinance in February 2014. FBOD incorporated the new social responsibility criteria into a Request for Proposal (RFP) process that was conducted for banking services in 2014. The new requirements comprise 25% of the total points in the RFP (note that the City of Seattle's new bill states social responsibility is 20% of the total points allowed). The County executed a 7-year contract with US Bank in December 2014 based on this competitive proposal process. Wells Fargo submitted a proposal but was not selected.

Wells Fargo is the third largest bank in the US as measured by its holdings. Although the County does not conduct its daily banking business with Wells Fargo Bank, the County does transact business with the securities dealership branch of Wells Fargo related to debt instruments and investing. The County also has a variable rate direct purchase agreement (loan) with a subsidiary of the Bank. The attached organization chart for the Wells Fargo Company highlights this distinction.

Investments:

The County has a non-contractual investment relationship with Wells Fargo Securities. We only buy investment securities on a competitive basis from them, meaning we compare prices from multiple dealers and select the lowest priced one, and we do not keep any securities with them because all the securities we buy are held by our safekeeping banks: Union Bank and The Bank of New York Mellon. At the end of December 2016, we owned the following positions:

- We had \$100 million in U.S. government overnight repurchase securities called "repos" that were placed through Wells Fargo Securities, not the bank.
- We had \$95 million invested in Wells Fargo National Association bank notes, and these securities mature in January 2018 (\$20m) and May 2019 (\$75m).

Bonds/Debt:

In the past we have sold variable rate bonds to support the Wastewater Treatment Division's capital improvements program. In 2012, we implemented an agreement with a subsidiary of Wells Fargo Bank on a variable rate debt instrument called a direct purchase agreement (which is a loan). Wells Fargo agreed to provide the County \$100 million and the County agreed to an interest rate that varies using a standard variable rate index. Last September 2016, the County

Issue Paper: King County Restrictions Against Wells Fargo Bank

Updated February 14, 2017

accepted an offer from Wells Fargo to lower the pricing and extend the direct purchase another 3 years, through approximately December 2019. Our financial advisor and PSB were part of the review process.

In the past, Wells Fargo Securities has submitted competitive bids on King County bond sales. Every three to five years, the County establishes a pool of underwriters it uses on negotiated bond sales and Wells Fargo is currently not part of that pool.

On September 20, 2016, the Chairman and Chief Executive Officer of Wells Fargo testified before a Senate committee providing the following statement (as excerpted):

"I am deeply sorry that we failed to fulfill our responsibility to our customers, to our team members [employees] and the American public...I am here to discuss how accounts were opened and products were provided to customers that they did not authorize or want...I do want to make very clear that there was no orchestrated effort, or scheme as some have called it, by the company. We never directed nor wanted our employees...to provide products and services to customers they did not want or need. Wrongful sales practice behavior goes against our values, ethics and culture and runs counter to our business strategy...That said, I accept full responsibility for all unethical sales practices in our retail banking business, and I am fully committed to doing everything possible to fix the issue, strengthen our culture, and take the necessary actions to restore our customers' trust."

The US Labor Department is investigating whether Wells Fargo abused its employees while driving them to meet ambitious sales targets. The bank says it has refunded to customers \$2.6 million in fees charged for products that were sold without authorization.

On September 28, 2016 the Treasurer of the State of California announced he has ordered the state to suspend business with Wells Fargo by suspending investments transactions, broker-dealer relations, and using Wells Fargo as an underwriter on state bond sales. The Illinois State Treasurer announced his office is suspending investment activity with Wells Fargo for at least one year. The State Treasurer of Iowa has decided not to impose sanctions against Wells Fargo, pointing out that they have a critical banking services contract in place; that the costs of the contract were negotiated via competitive bidding; and there would be a significant cost to the state if they broke the contract. Based on our contacts at the Washington State Treasury Office, they have been considering sanctions and appear to be focusing on continuing relationships involving Wells Fargo Securities as long as there are no direct dealings with the bank itself.

Analysis:

This section addresses the implications of suspending business with Wells Fargo in the areas of investment securities and bonds (debt instruments).

Investments:

Being invested in overnight repurchases with one dealer on a continual basis is critical to meeting the liquidity needs of the County investment pool. Wells Fargo Securities has been a longstanding business partner for the County by fully meeting our liquidity needs in overnight repurchases, especially at month end when we need access to overnight purchases the most. A typical repo can range from \$100 million to \$350 million; over the past year the investment pool has had an average daily balance in repos of about \$175 million. The critical part of any repo transaction is the capacity of the financial firm to

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provide collateral for the investment transaction. The County buys a repo from Wells Fargo Securities by providing cash to the Bank of New York Mellon; Wells Fargo then puts up the collateral for the transaction in the form of US Treasury or US Agency securities which are assigned at 102 percent of the cash and held by the Bank of New York Mellon. After an overnight transaction is completed, the cash is returned to the County, including interest earned, and the collateral is released back to Wells Fargo Securities.

There are currently a very limited number of financial institutions that offer repurchase agreements because increased regulatory restrictions brought on by the Great Recession have made it more costly for securities dealers to provide repos to customers. Given the County's long established relationship with Wells Fargo Securities (they have a Seattle Office), the County has ready access to this form of investment at favorable earnings rates compared to other financial institutions. Note that the dealer does not charge the County any fees for purchasing these securities. If the County were to abruptly terminate its investments in overnight securities, the annual lost earnings to the investment pool are estimated at \$925,000.

Although the County most frequently uses Wells Fargo Securities for repos, there are other less appealing options for repos available involving investment firms JP Morgan and Deutsche Bank. JP Morgan has the collateral for repurchases but their operations are based in Mumbai and can be complicated. We initially had difficulty negotiating a Master Repurchase agreement and we would have to establish a new relationship with the firm. Additionally, JP Morgan's past pricing on repos has been significantly more expensive than Wells Fargo and other financial firms. Deutsche is another option but they most often have no collateral, especially at month end when the County needs it the most. The bottom line is that we cannot usually purchase the size of repos we need from Deutsche.

As stated above, we have a total of \$95 million in Wells Fargo bank note securities that mature in either January 2018 or May 2019. The early sale of these securities from the County investment pool would incur realized losses of approximately \$1,000,000 and reinvestment risk that potentially suppresses the yield of the pool. We would also need to decide if future investments in Wells Fargo bank notes or commercial paper should be suspended from the County's current credit list of investments.

Wells Fargo Securities offers a variety of other securities from its inventory to large government investors such as the County. These securities may include US Treasuries, US Agencies, commercial paper associated with other companies such as Apple Computer or Proctor & Gamble, or bank notes associated with other banks such as JP Morgan or the Royal Canadian Bank (RBC). The County does not pay any fees for securities purchased from the Wells Fargo dealer.

Bonds/Debt:

As stated earlier, the County executed a 3-year extension to the direct purchase agreement with a subsidiary of Wells Fargo Bank last year. The benefits of this extension are two-fold:

- Favorable pricing: The pricing proposal (48 basis point spread over 70% of LIBOR) matches the winning proposal that the County received for the remarketing of the 2015 variable rate bonds and which is 17 basis points lower than the current spread being paid (a savings of \$170K annually for the 3-year term of the proposed extension); and
- Very low transactions costs: The lower costs, estimated at approximately \$25,000, are for executing an extension rather than executing a new agreement.

Issue Paper: King County Restrictions Against Wells Fargo Bank

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The County's financial advisor recommended the action to extend the agreement. The advisor believed that the only feasible interim alternatives to the extension would have been to either: (1) remarket the bonds as a 1-year note, similar to what was done for the 2015 variable rate bonds involving wastewater; or (2) pay off the bonds using internal County funds in the investment pool and then re-issuing the bonds at some future time. Either of these options would have involved significantly higher future transaction costs than entering into the extension, which depending on the form of the bonds could have exceeded \$500,000, plus potentially involve ongoing remarketing fees. The key advantage of using a direct purchase agreement is that the loan is only between the County and the bank; this minimizes transaction costs and the credit ratings of the bank do not come into play to affect the variable interest rates.

Recommendations:

For each of the recommendations below, we have indicated the initial actions taken by Treasury Operations staff. The EFC will be asked at its February meeting to formally review and support these recommendations.

1. Restrict the County from investing in any new eligible securities offered under the Bank's name. This includes a restriction on corporate bank notes and commercial paper which are issued as debt and become liabilities of the Bank. The EFC should also determine the length of this restriction.
Status: Treasury Operations initiated this restriction on October 5, 2016. The investment team has not purchased any new Wells Fargo commercial paper or corporate notes. The investment team continues to use the approved process for adding and deleting firms to the credit list. The approved process includes evaluating the firm's Bloomberg ESG (Environmental, Social, and Governance) score and the firm's default risk. Credits are then reviewed by the Credit Committee and then forwarded to the EFC for final approval. When considering a group of firms for credit list approval, and assuming the firms are roughly equal in meeting critical fiduciary considerations, then the Treasury investment team will recommend those firms that best meet both fiduciary and social responsibility considerations.
2. Do not immediately sell Wells Fargo bank notes and incur a loss.
Status: The credit quality of the notes remains very strong and selling them now, given recently rising interest rates, would generate a loss of about \$1 million for the County's investment pool. The EFC has a fiduciary responsibility to all investment pool members which is comprised of King County funds and the funds of local school, fire, sewer and water, parks and other special districts. It would not be prudent to immediately liquidate these investments and force the County to distribute the loss in a pro rata manner to all 100 members of the pool.
3. Allow the County to continue to invest in very safe overnight securities with Wells Fargo Securities (repurchase agreements).
Status: The dealer does not charge the County any fees for purchasing these securities. If the County were to abruptly terminate its investments in overnight securities, the annual lost earnings to the investment pool are estimated at \$925,000.
4. Allow the County to invest in other highly rated securities offered by the Wells Fargo Securities dealer and which are not affiliated with the Bank's name.
Status: The County should maintain its fiduciary responsibility to its pool members and continue to purchase these type of eligible securities from the inventory of the Wells Fargo dealer when

Issue Paper: King County Restrictions Against Wells Fargo Bank

Updated February 14, 2017

those securities offer a distinct pricing advantage over other dealers. The County does not pay any fees for securities purchased from the Wells Fargo dealer.

5. Restrict the County from entering into any new direct purchase agreements with a subsidiary of Wells Fargo Bank but maintain any current agreements.

Status: The Finance Director executed the extension of the direct purchase agreement with Wells Fargo that was already well underway prior to considering restrictions. No decisions have been made yet on placing a suspension on any future direct purchase agreements with the bank.

6. Exclude Wells Fargo Securities from consideration as a potential member of the County's pool of underwriters to act as a senior manager for negotiated and competitive bond sales. The EFC should decide the length of any restrictions for both negotiated and competitive sales. It may be appropriate to establish different length restrictions for negotiated sales relative to competitive sales to ensure the County can take advantage of favorable competitive pricing.

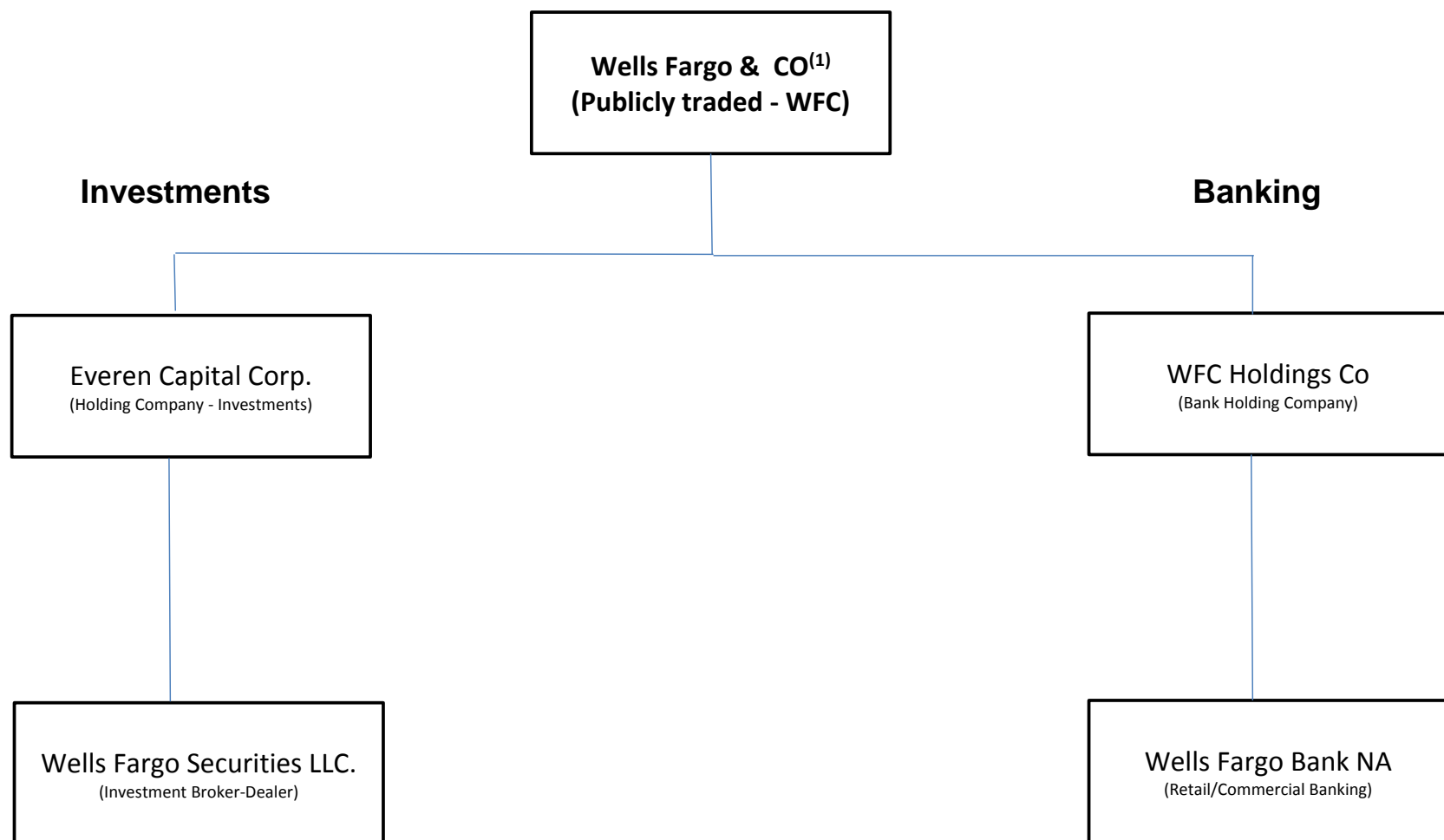
Status: Treasury Operations did not include Wells Fargo for consideration as a member of the County's pool of underwriters to serve as senior manager for negotiated bond sales in a recent solicitation. Seven firms responded to the RFP. A new pool of underwriters is expected to be selected by early 2017.

7. Consider developing a pre-established policy, including guidelines or criteria, about what financial firms we will not do business with before taking quick action. If we make inconsistent or abrupt decisions, it could seriously hinder the performance of the County's investment and debt programs. The opening of unauthorized accounts by Wells Fargo is a serious issue, but there are other large banks that have incurred major fines or lawsuits based on past indiscretions and irresponsibility. If we stopped doing business with every bank that has paid a \$100 million fine in recent years, it would be extremely difficult to issue bonds or buy investments. With any sanctions, we want to be clear on our purpose or objective for imposing the sanctions.

Status: FBOD would need assistance from the Prosecuting Attorney's Office and others to develop criteria that would allow the Treasury team to meet its fiduciary duty, while still being sensitive to social justice goals that are important to the citizens and leaders of County government. The work to develop this criteria has not been started due to focusing on other priorities such as the development of the long term investment policy for pool members.

8. Consider more restrictive sanctions against Wells Fargo pending the outcome of the Department of Labor investigation and the development of a pre-established policy about which firms we will not do business with.

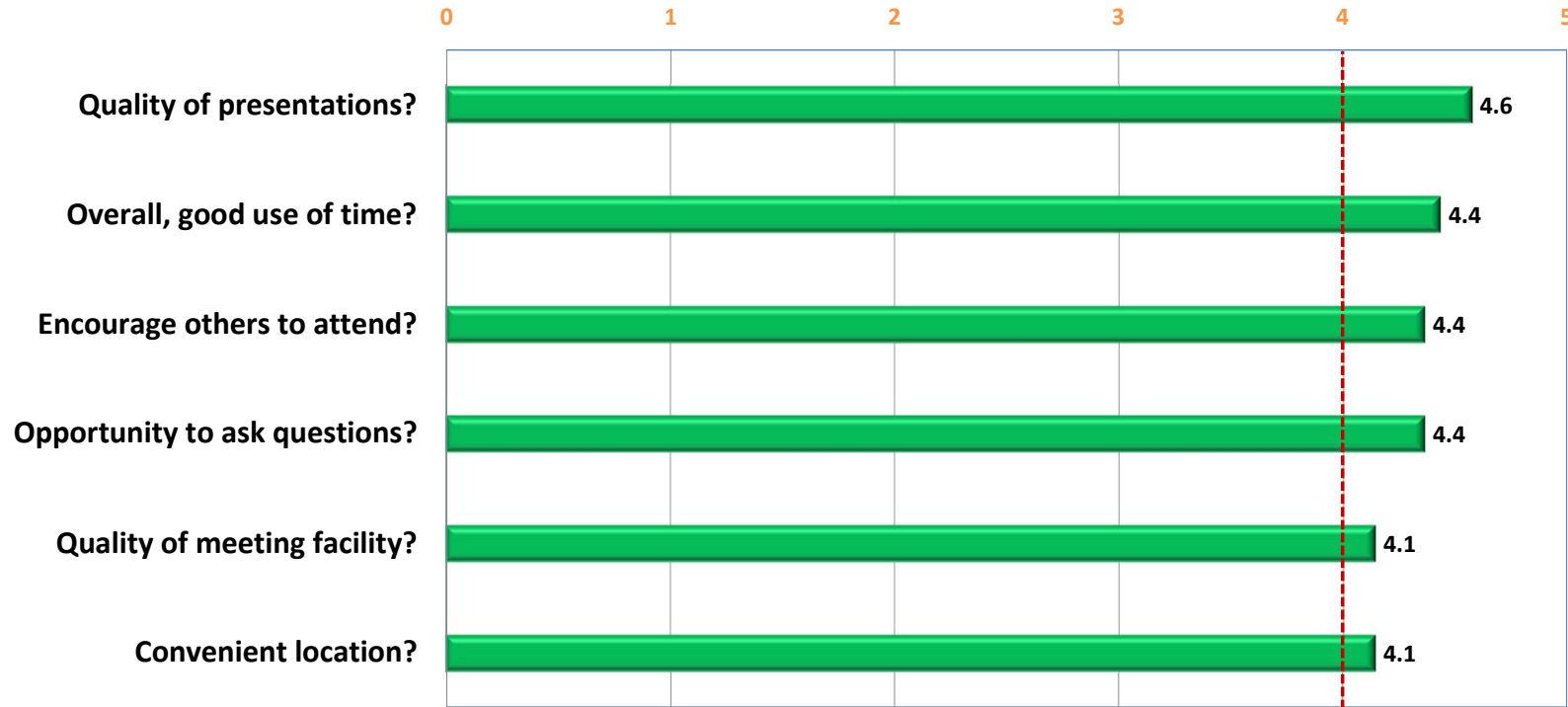
Status: We need direction on whether to spend the time and effort to consider more restrictive sanctions. FBOD is recommending moving forward with restrictions already in place, not adding any new ones, and determining specific time tables for when certain restrictions could be lifted.



(1) Simplified organization chart which does not show all of Wells Fargo & Co.'s subsidiaries.

Customer Survey Average Ratings for Annual Pool Meeting

January 2017



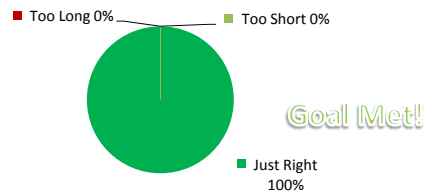
Total responses = 14 of 19 Attendees

"Strongly Agree" = 5 Points

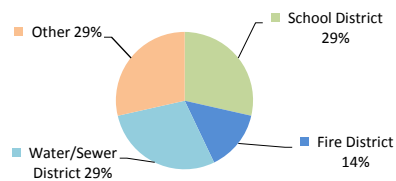
Target: ≥ 4

Length of the Meeting?

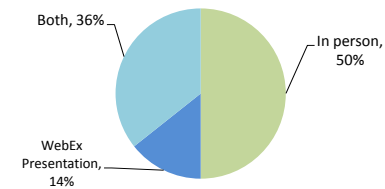
Goal $\geq 63\%$ "Just Right"



Distribution of Respondents by District Type



Preference for Future Meetings



Comments:

- 1 With room change this year there were no tables, just chairs. Nice to have the tables to be able to take notes during presentations.
- 2 Prefer a meeting room with tables, makes it easier to write, take notes.
- 3 The meeting was well run and stayed on track. I would have found it beneficial for the speakers to have microphones..
- 4 I'm fairly new to this position but more informal information sessions regarding the Pool-Plus Program would be great. We would be interested in using this program in the future, if it was relevant or beneficial to us.
- 5 I like the in-person format, but having it filmed at the same time would be good for those people who find it difficult to leave the office or come to Bellevue.
- 6 I prefer in person meetings but making it available online may make the meeting more accessible for other participants.

KING COUNTY INVESTMENT POOL
ISSUER DIVERSIFICATION, CREDIT EXPOSURE and COMPLIANCE REPORT
1/31/17

The investment pool complies with all constraints listed in Schedule 1 of the investment policy

	Book Value	% of Portfolio	Issuer Limits/Restrictions	Credit Agency Ratings		Minimum Credit Restrictions	Maximum Maturity
				S&P	Moody's		
U.S. TREASURIES		100%	NONE			NONE	5 Years
U.S. T-Bills or T-Notes	\$2,561,982,343.64	40.9%	In Compliance	AA+	Aaa	In Compliance	In Compliance
			35% per agency across investment type			NONE	5 Years
U.S. AGENCIES		100%					
		28.7%	In Compliance				
Federal Farm Credit Bank (FFCB)	\$536,875,614.39	8.6%	In Compliance	AA+	Aaa	In Compliance	In Compliance
Federal National Mortgage Association (FNMA)	\$399,580,617.64	6.4%	In Compliance	AA+	Aaa	In Compliance	In Compliance
Federal Home Loan Bank (FHLB)	\$314,240,700.87	5.0%	In Compliance	AA+	Aaa	In Compliance	In Compliance
Federal Home Loan Mortgage Corporation (FHLMC)	\$546,117,884.99	8.7%	In Compliance	AA+	Aaa	In Compliance	In Compliance
U.S. AGENCY MORTGAGE BACKED SECURITIES		Not to exceed 25%	35% per agency			NONE	5 Year Average Live
CMO Agencies FNMA	\$5,708,392.03	0.1%	In Compliance	AA+	Aaa	In Compliance	In Compliance
MUNICIPAL BONDS - GENERAL OBLIGATIONS		Not to exceed 20%	Not to exceed 5%			A or better	5 Years
		0.0%	In Compliance				
REPURCHASE AGREEMENTS		100.0%	Not to exceed 25% per dealer			A1/P1⁽¹⁾ (2)	60 Days
Wells Fargo Securities, Inc. Tri-party Repo	\$182,000,000.00	2.9%	In Compliance	A-1+	N/A	In Compliance	In Compliance
REVERSE REPURCHASE AGREEMENTS		Not to exceed 20%	Not to exceed 5% per dealer			A1/P1⁽¹⁾	6 Months
		0.0%	In Compliance				
LOCAL GOVERNMENT INVESTMENT POOL		Not to exceed 25%	State of WA LGIP only			NONE	N/A
Washington State Treasurer's LGIP	\$524,850,414.95	8.4%	In Compliance	N/A	N/A		
BANKER'S ACCEPTANCES		Not to exceed 25%	5% per issuer across investment type			A1/P1⁽³⁾	180 Days
		0.0%	In Compliance				
OVERNIGHT DEPOSITS		100%	NONE			COLLATERALIZED	
	\$46,228,380.64	0.7%					
CERTIFICATES OF DEPOSIT		Not to exceed 25%	5% per issuer across investment type			NONE	1 Year
		0.0%	In Compliance				
COMMERCIAL PAPER		Not to exceed 25% combined with Corp Notes	5% per issuer across investment type			A1/P1, If >100 days A or better	270 Days
		4.7%	In Compliance				
APPLE INC	\$20,451,893.34	0.3%	In Compliance	A-1+	P-1	In Compliance	In Compliance
MICROSOFT	\$149,646,232.49	2.4%	In Compliance	A-1+	P-1	In Compliance	In Compliance
CANADIAN IMPERIAL BANK	\$124,435,833.33	2.0%	In Compliance	A-1	P-1	In Compliance	In Compliance
* Purchases prior to 9/15/16 are considered grandfathered in for issuer limit purposes and can be held to maturity.							
CORPORATE NOTES		Not to exceed 25% combined with CP	5% per issuer across investment type			A or better⁽³⁾	5 Years
		13.5%	In Compliance				
ROYAL BANK OF CANADA	\$155,227,555.77	2.5%	In Compliance	AA-	Aa3	In Compliance	In Compliance
TORONTO DOMINION	\$122,691,507.38	2.0%	In Compliance	AA-	Aa1	In Compliance	In Compliance
US BANK N.A. *	\$148,392,398.91	2.4%	In Compliance	AA-	A1	In Compliance	In Compliance
BANK OF AMERICA	\$85,069,282.58	1.4%	In Compliance	A+	A1	In Compliance	In Compliance
BANK OF NOVA SCOTIA	\$54,949,986.43	0.9%	In Compliance	A+	Aa3	In Compliance	In Compliance
PNC BANK	\$50,286,468.43	0.8%	In Compliance	A	A2	In Compliance	In Compliance
APPLE INC	\$13,927,060.92	0.2%	In Compliance	AA+	Aa1	In Compliance	In Compliance
WELLS FARGO BANK N.A.	\$95,791,838.11	1.5%	In Compliance	AA-	Aa2	In Compliance	In Compliance
BANK OF MONTREAL	\$91,054,612.18	1.5%	In Compliance	A+	Aa3	In Compliance	In Compliance
CANADIAN IMPERIAL BANK	\$29,995,329.88	0.5%	In Compliance	A+	Aa3	In Compliance	In Compliance
* Purchases prior to 9/15/16 are considered grandfathered in for issuer limit purposes and can be held to maturity.							
	\$6,259,504,348.90	100.0%					

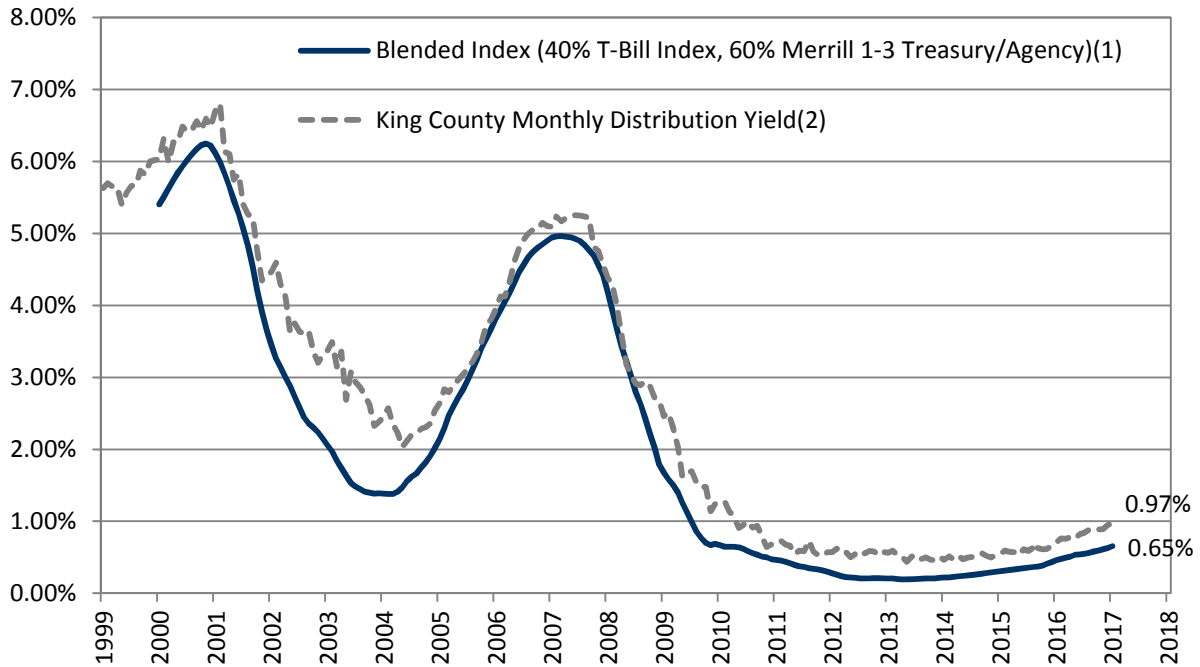
ADDITIONAL PORTFOLIO LEVEL REQUIREMENTS	Actual	Status
Effective Duration Less Than 1.5 Years	1.104	In Compliance
40% of Portfolio Value 12 Months or Less	51.7%	In Compliance
Corporate Exposure Not Greater Than 50%	18.2%	In Compliance
Corp Notes & CP ≤ 25%	18.2%	In Compliance
Maximum Duration of Corp Note Portfolio ≤ 3 years	1.59	In Compliance

(1) Must be rated by at least one nationally recognized rating agency

(2) Also backed by collateral

(3) Must be rated by at least 2 nationally recognized rating agencies

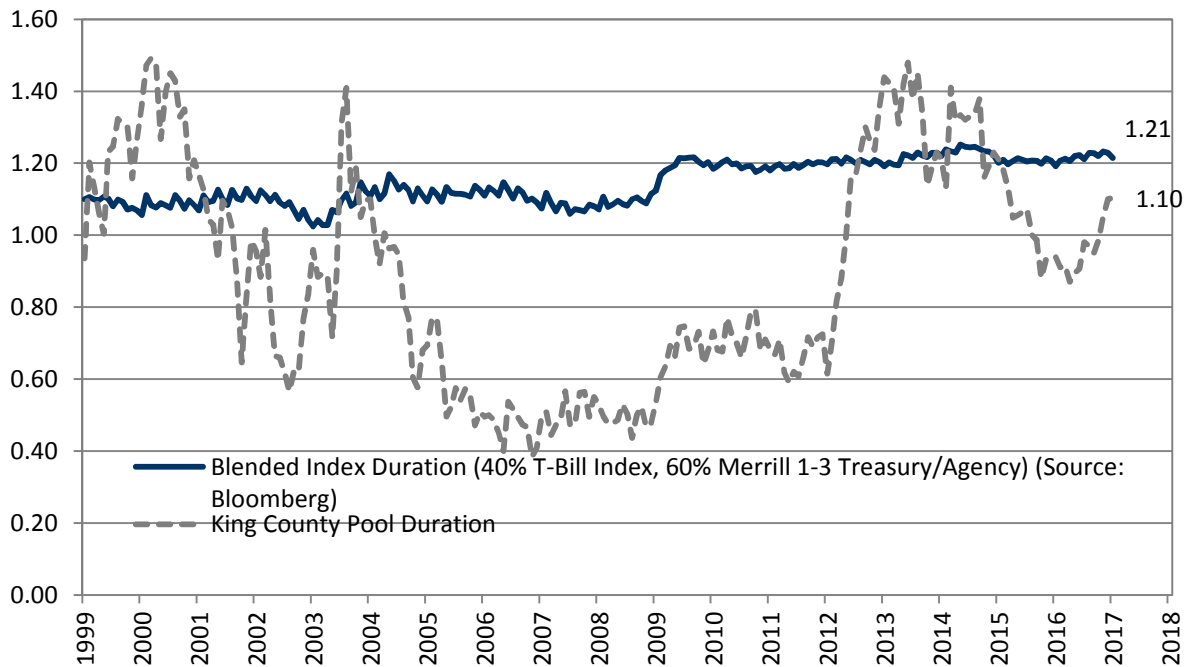
King County Monthly Distribution Yield Versus Custom Index



(1) Calculation for index return adjusted from coupon return to the 12-month moving average of the index's effective yield. (Source: Bloomberg)

(2) Does not include negative distributions from the Impaired Pool

King County Monthly Duration Versus Custom Index



JANUARY 2017 TRANSACTIONS



DESCRIPTION	AVG RATE	AVG PAR
PURCHASES		
REPO	.524	75,550,000.00

DESCRIPTION	COUPON	MATURITY	SETTLED	BK YLD	PAR VALUE	BOOK VALUE
PURCHASES						
FHLMC DISCOUNT NOTE	.000	12/01/2017	01/24/2017	.775	100,000,000.00	99,334,805.56
APPLE INC	.000	05/08/2017	01/26/2017	.882	20,500,000.00	20,448,886.67
US TREASURY NOTE	1.375	01/15/2020	01/26/2017	1.505	100,000,000.00	99,625,000.00
CA IMPERIAL BK	.000	08/10/2017	01/26/2017	1.208	50,000,000.00	49,673,333.33
CA IMPERIAL BK	.000	06/01/2017	01/26/2017	.993	75,000,000.00	74,740,125.00
FHLMC DISCOUNT NOTE	.000	01/02/2018	01/30/2017	.806	100,000,000.00	99,251,111.11
LGIP	.629	02/01/2017	01/31/2017	.629	292,056.78	292,056.78
APPLE INC	1.550	02/07/2020	01/31/2017	1.811	14,034,000.00	13,927,060.92
TOTAL					459,826,056.78	457,292,379.37

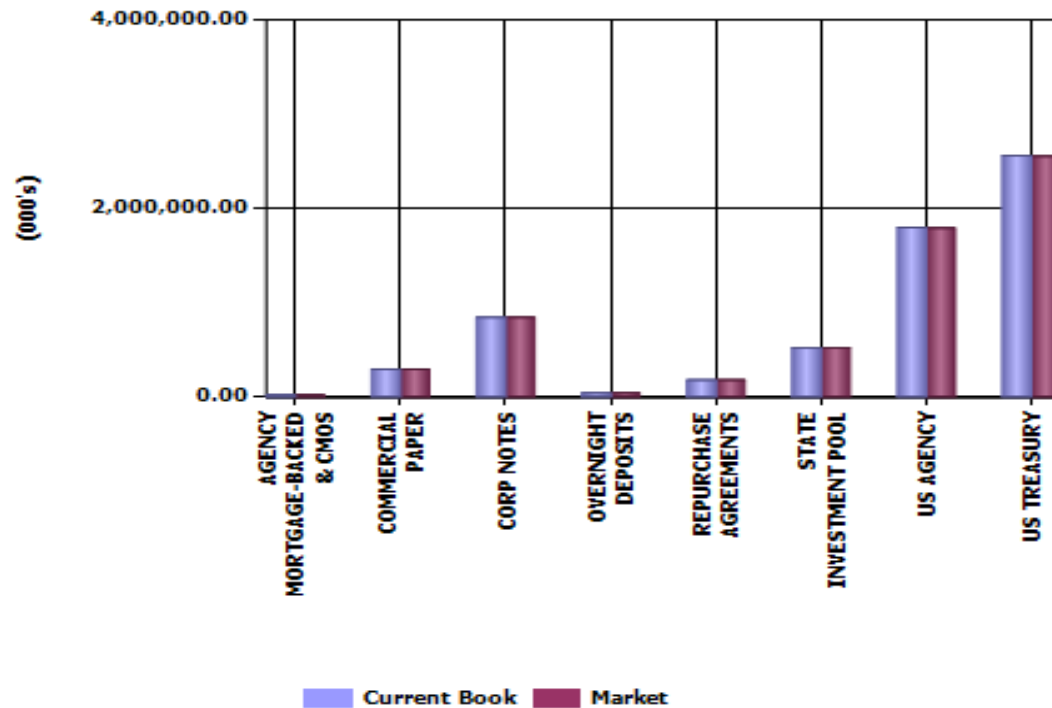
DESCRIPTION	COUPON	MATURITY	SETTLED	BK YLD	PAR VALUE	BOOK VALUE
CALL						
PNC BANK NA	1.125	01/27/2017	01/17/2017	1.125	11,944,000.00	11,944,000.00
PNC BANK NA	1.125	01/27/2017	01/17/2017	1.125	42,675,000.00	42,675,000.00
TOTAL					54,619,000.00	54,619,000.00

DESCRIPTION	COUPON	MATURITY	SETTLED	BK YLD	PAR VALUE	BOOK VALUE
SELLS						
LGIP	.629	02/01/2017	01/03/2017	.629	50,000,000.00	50,000,000.00
LGIP	.629	02/01/2017	01/10/2017	.629	35,000,000.00	35,000,000.00
LGIP	.629	02/01/2017	01/12/2017	.629	25,000,000.00	25,000,000.00
TOTAL					110,000,000.00	110,000,000.00

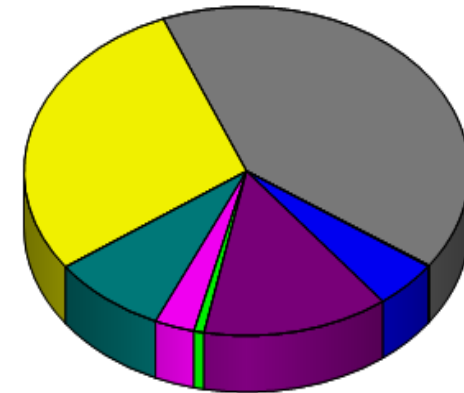


Assets (000's)	PAR	BOOK	MARKET	MKT/BK	YLD
AGENCY MORTGAGE-BACKED & COMMERCIAL PAPER	5,621.01	5,708.39	6,001.63	105.14%	4.34%
CORP NOTES	295,350.00	294,533.96	294,553.15	100.01%	0.95%
OVERNIGHT DEPOSITS	845,886.00	847,386.04	844,618.93	99.67%	1.53%
REPURCHASE AGREEMENTS	46,228.38	46,228.38	46,228.38	100.00%	0.00%
STATE INVESTMENT POOL	182,000.00	182,000.00	182,000.00	100.00%	0.54%
US AGENCY	524,850.41	524,850.41	524,850.41	100.00%	0.63%
US TREASURY	1,799,059.00	1,796,814.82	1,793,871.66	99.84%	0.88%
Totals (000's):	2,554,000.00	2,561,982.34	2,556,248.11	99.78%	0.98%
	6,252,994.81	6,259,504.35	6,248,372.28	99.82%	0.98%

ASSET ALLOCATION



CURRENT PAR %



AGENCY MORTGAGE-BACKED & CMOS - 0%
 COMMERCIAL PAPER - 5%
 CORP NOTES - 14%
 OVERNIGHT DEPOSITS - 1%
 REPURCHASE AGREEMENTS - 3%
 STATE INVESTMENT POOL - 8%
 US AGENCY - 29%
 US TREASURY - 41%

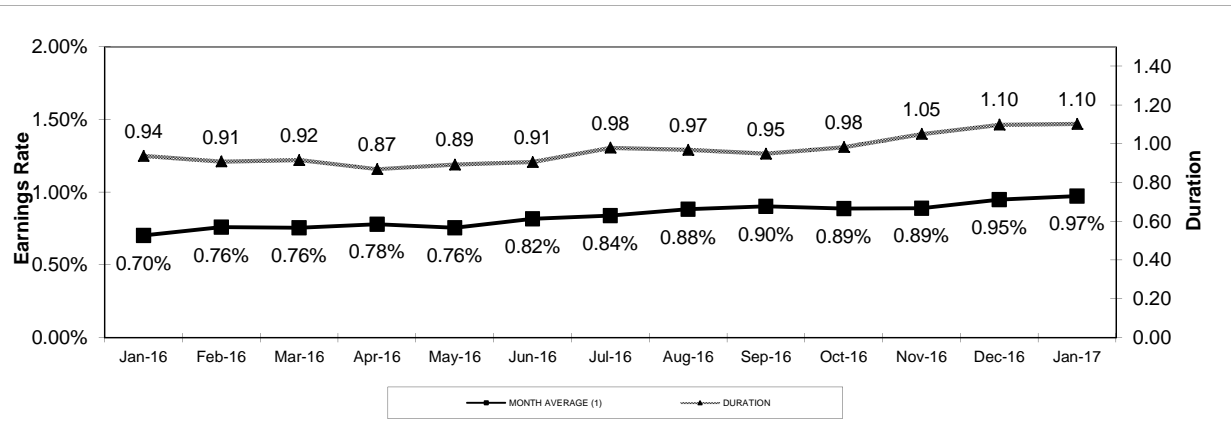
KING COUNTY INVESTMENT POOL

MATURITY DISTRIBUTION AS OF 01/31/2017

<u>CALL/MATURITY</u>	<u>DATE RANGE</u>	<u>NO OF INV</u>	<u>BOOK VALUE</u>	<u>%</u>	<u>CUM %</u>
0 TO 1 MONTHS	02/01/17 - 03/03/17	8	893,072,705.72	14.3%	14.3%
1 TO 3 MONTHS	03/04/17 - 04/30/17	10	657,531,533.59	10.5%	24.8%
3 TO 6 MONTHS	05/01/17 - 07/31/17	12	501,381,179.68	8.0%	32.8%
6 TO 12 MONTHS	08/01/17 - 01/31/18	28	1,187,301,023.19	19.0%	51.7%
12 TO 24 MONTHS	02/01/18 - 01/31/19	37	1,730,363,977.93	27.6%	79.4%
24 TO 36 MONTHS	02/01/19 - 01/31/20	21	1,170,002,463.77	18.7%	98.1%
36 TO ** MONTHS	02/01/20 -	6	119,851,465.02	1.9%	100.0%
GRAND TOTALS		122	6,259,504,348.90		

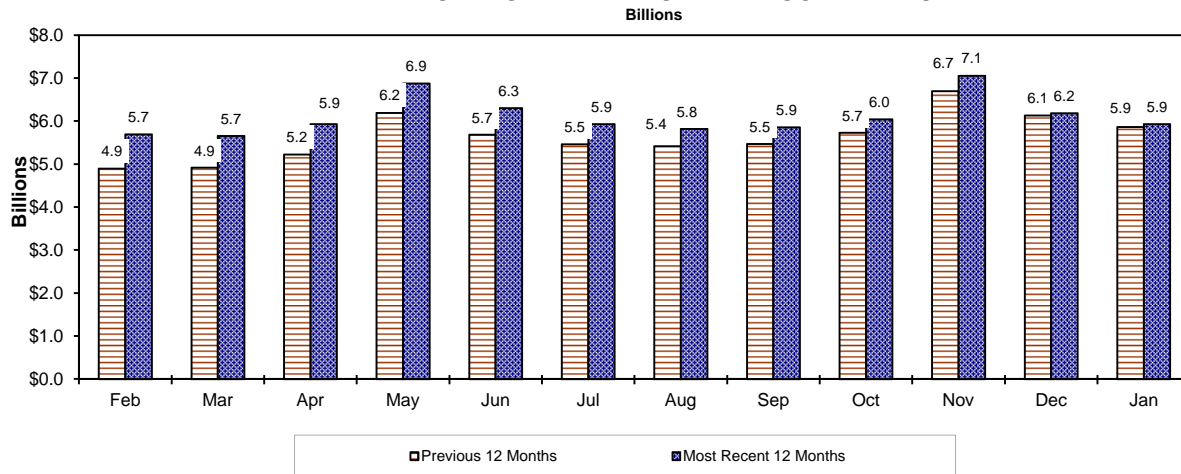
KING COUNTY INVESTMENT POOL

EARNINGS DISTRIBUTION RATE & EFFECTIVE DURATION



(1) Not adjusted yet for realized losses on commercial paper investments.

AVERAGE MONTHLY INVESTMENT POOL BALANCE



KC GENERAL FUND YTD INTEREST EARNINGS

January 31, 2017

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>DIFFERENCE</u>
YTD AVG BALANCE (millions)	\$356	\$375	\$19.1
YTD YIELD	0.49%	0.97%	0.48%
INTEREST DISTRIBUTION (\$)	\$148,624	\$310,574	\$161,950
AUTOMATIC INTEREST (\$)	\$0	\$0	\$0
TOTAL INTEREST (\$)	\$148,624	\$310,574	\$161,950

YTD POOL FEE REVENUE

	<u>BUDGET</u>	<u>Collected ⁽¹⁾</u>	<u>Potential Rebate</u>
DIRECT COST FEE DUE TO GF	\$49,911	\$111,860	\$61,949
DIRECT COST FEE TO FBOD	N/A	\$6,227	\$6,227
TOTAL YTD DIRECT POOL FEES	49,911	118,088	\$68,177
	<u>BUDGET</u>	<u>Actual</u>	<u>Difference</u>
CASH MGMT FEE TO GF	\$30,829	\$65,422	\$34,593
CASH MGMT FEE TO FBOD	N/A	\$1,286	N/A
TOTAL YTD CASH MGMT FEES	30,829	66,708	35,879

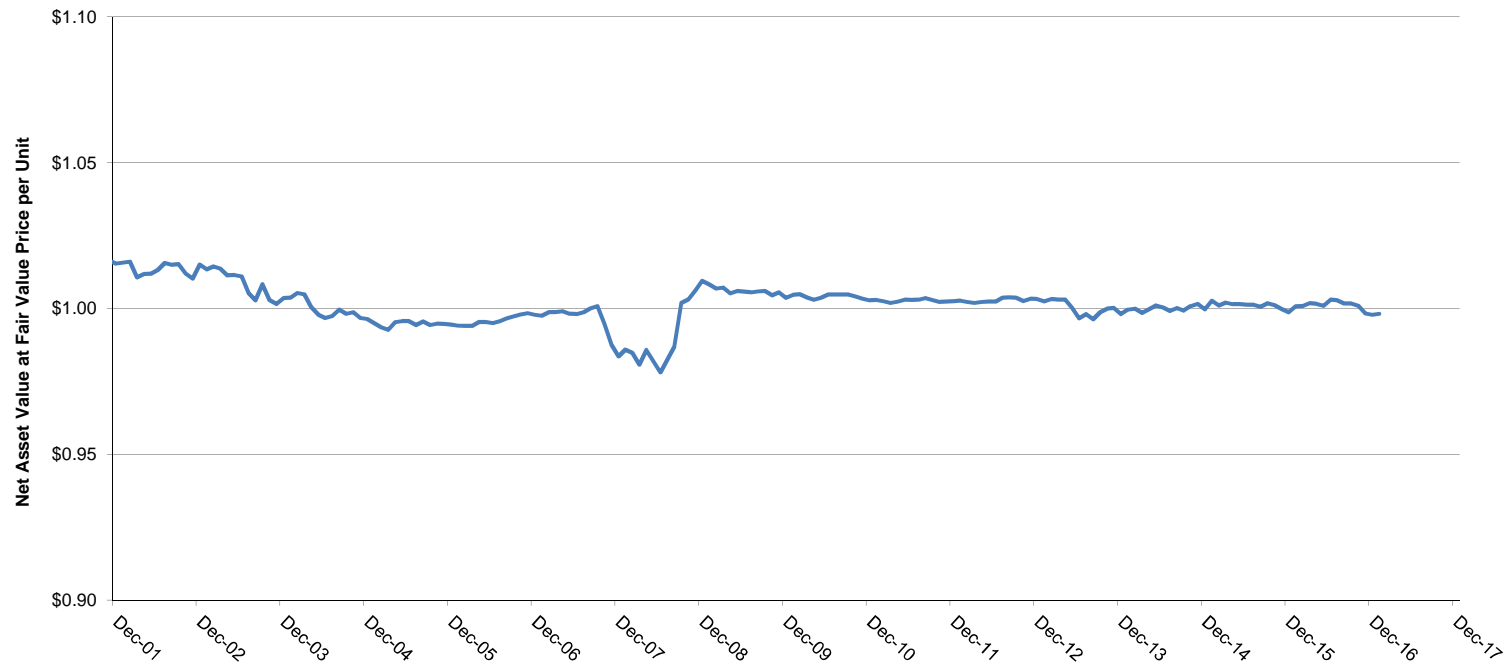
YTD TOTAL POOL DISTRIBUTION	\$4,914,847
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(1) Collecting 2.5 basis points for direct fees, but will rebate difference between collected and actual expenses after the fiscal year closes.

King County Investment Pool Fair Value Report

	11/30/16	12/31/16	01/31/17
Net Assets (1)			
Net Assets held in trust for pool participants	<u>\$ 6,672,638,599.62</u>	<u>\$ 6,051,203,078.93</u>	<u>\$ 6,202,681,429.00</u>
Net assets consist of:			
Participant units outstanding (\$1.00 par)	\$ 6,683,945,330.27	\$ 6,063,963,476.59	\$ 6,213,813,495.20
Undistributed and unrealized gains(losses)	<u>\$ (11,306,730.65)</u>	<u>\$ (12,760,397.66)</u>	<u>\$ (11,132,066.20)</u>
Net Assets	<u>\$ 6,672,638,599.62</u>	<u>\$ 6,051,203,078.93</u>	<u>\$ 6,202,681,429.00</u>
Total Pool -- Net asset value at fair value price per unit	<u>\$0.9983</u>	<u>\$0.9979</u>	<u>\$0.9982</u>

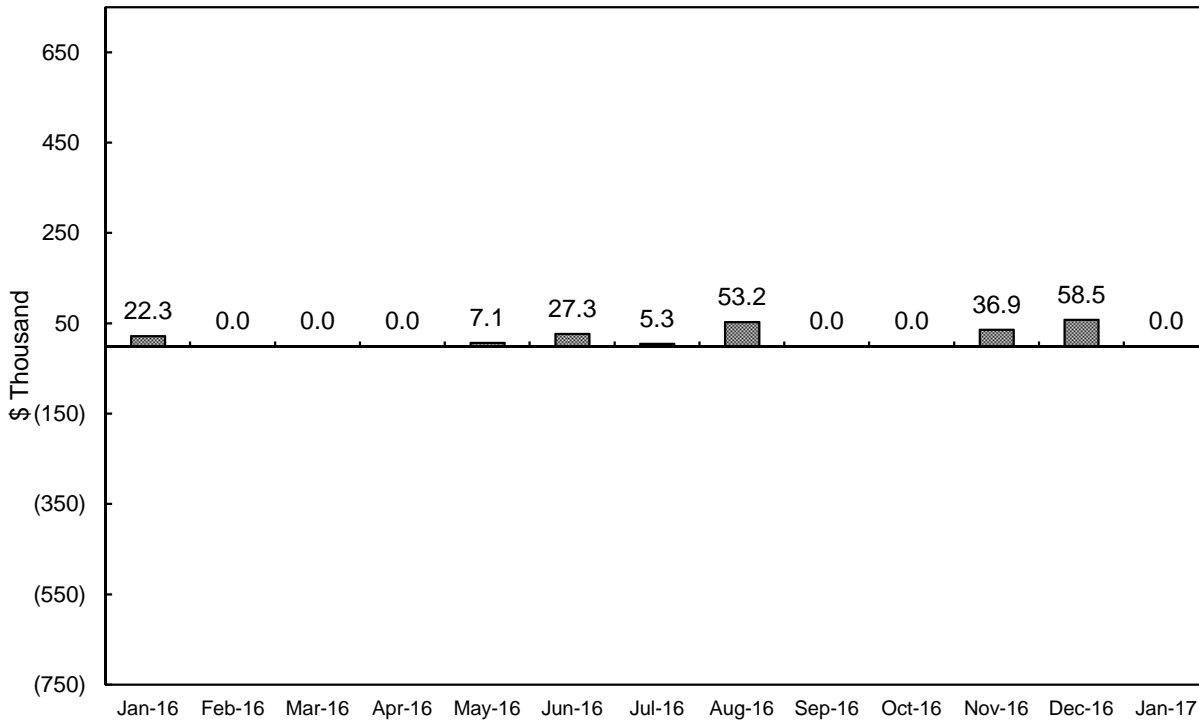
King County Investment Pool History of Fair Value per Dollar Invested (1)



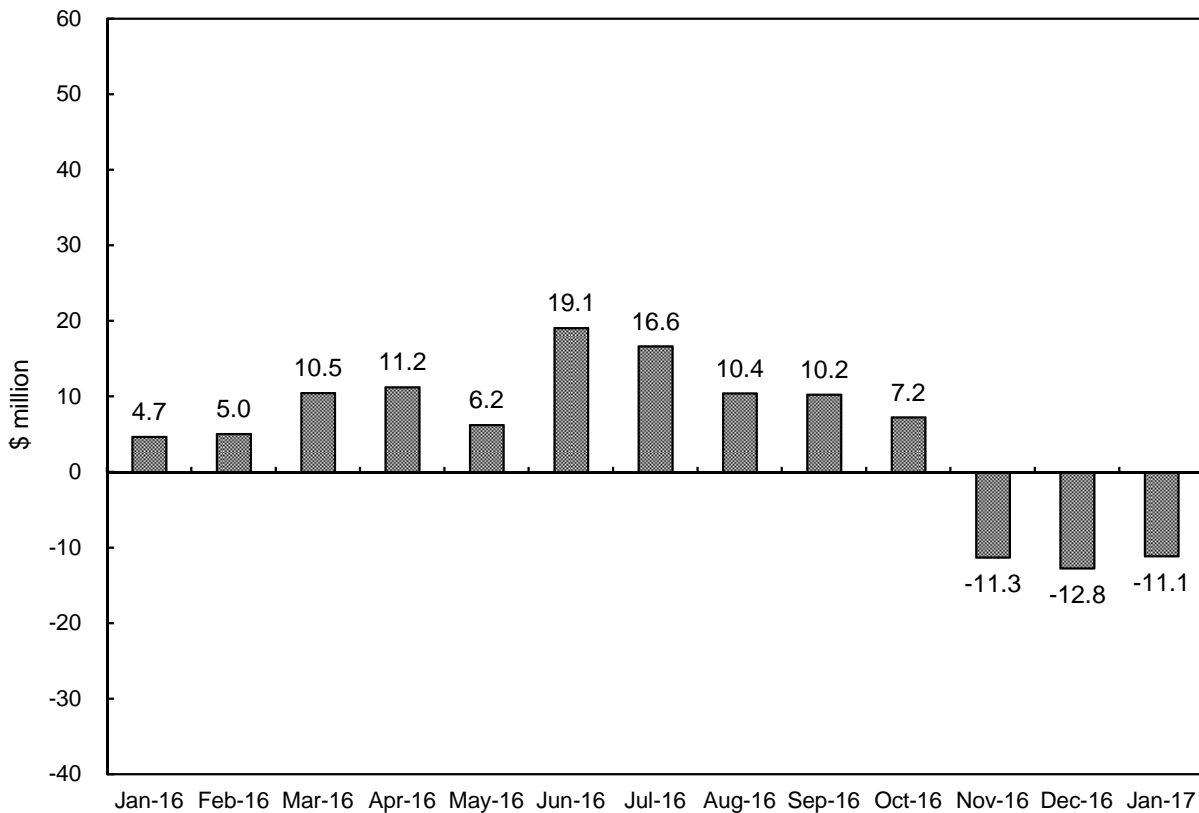
(1) Impaired securities were separated from main pool on 9/1/08

GAIN / LOSS SUMMARY

TOTAL REALIZED GAIN OR LOSS (1)



NET UNREALIZED GAIN OR LOSS (TOTAL PORTFOLIO)



(1) Excludes gains/losses from impaired CP

KING COUNTY TREASURY OPERATIONS
SEATTLE, WASHINGTON

P O R T F O L I O D E T A I L F I N A N C I A L A N A L Y S I S
AS OF 1/31/17

(MANFIN)

PAGE: 1

SORTING ORDER: MATD

RUN: 02/02/17 09:58:21

** FIXED INCOME **

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
711	LOCAL GOVT INVESTM	.628888	.628888	02/01/17	100.000000	524,850,414.95	524,850,414.95	524,850,414.95	.00	3,300,719.23
1522	CASH-US BANK	.001000	.001000	02/01/17	100.000000	42,337,063.48	42,337,063.48	42,337,063.48	.00	423.37
1523	CASH-KEY BANK	.001000	.001000	02/01/17	100.000000	3,388,962.44	3,388,962.44	3,388,962.44	.00	33.89
1524	CASH-BOFA	.001000	.001000	02/01/17	100.000000	502,354.72	502,354.72	502,354.72	.00	5.02
2787	Wells Fargo Tri-Re	.540000	.540000	02/01/17	100.000000	182,000,000.00	182,000,000.00	182,000,000.00	.00	982,800.00
2227	BANK OF AMERICA	1.250000	1.188753	02/14/17	100.013000	40,000,000.00	40,000,854.11	40,005,200.00	4,345.89	475,501.23
1757	US TREASURY NOTE	.625000	.901704	02/15/17	100.008000	50,000,000.00	49,994,779.36	50,004,000.00	9,220.64	450,851.94
1756	US TREASURY NOTE	.875000	.922329	02/28/17	100.032000	50,000,000.00	49,998,276.66	50,016,000.00	17,723.34	461,164.33
2546	FFCB DISCOUNT NT	.000000	.592964	03/03/17	99.958000	140,000,000.00	139,931,166.67	139,941,200.00	10,033.33	830,149.60
2743	MICROSOFT CORP	.000000	.861997	03/13/17	99.925556	44,500,000.00	44,457,477.77	44,466,872.42	9,394.65	383,588.86
2543	FHLB DISCOUNT NT	.000000	.613472	03/29/17	99.921000	150,000,000.00	149,857,666.67	149,881,500.00	23,833.33	920,207.87
2685	MICROSOFT CORP	.000000	.783020	03/30/17	99.893917	50,000,000.00	49,938,250.00	49,946,958.50	8,708.50	391,509.92
1414	US TREASURY NOTE	1.000000	.712736	03/31/17	100.084000	50,000,000.00	50,022,418.06	50,042,000.00	19,581.94	356,368.14
2744	MICROSOFT CORP	.000000	.882546	04/03/17	99.878000	25,000,000.00	24,962,722.22	24,969,500.00	6,777.78	220,636.41
2542	FFCB DISCOUNT NOTE	.000000	.623717	04/10/17	99.900000	100,000,000.00	99,882,888.90	99,900,000.00	17,111.10	623,716.66
2740	MICROSOFT CORP	.000000	.903229	04/24/17	99.836000	30,350,000.00	30,287,782.50	30,300,226.00	12,443.50	274,130.01
1765	US TREASURY NOTE	.875000	.974227	04/30/17	100.091000	50,000,000.00	49,988,246.56	50,045,500.00	57,253.44	487,113.30
2263	TORONTO DOMINION B	1.125000	1.058958	05/02/17	100.023000	18,200,000.00	18,202,914.24	18,204,186.00	1,271.76	192,730.38
2780	APPLE INC	.000000	.882200	05/08/17	99.746667	20,500,000.00	20,451,893.34	20,448,066.74	-3,826.60	180,850.91
1766	US TREASURY NOTE	.625000	1.018173	05/31/17	100.008000	50,000,000.00	49,937,123.56	50,004,000.00	66,876.44	509,086.45
2424	US TREASURY NOTE	2.750000	.884130	05/31/17	100.684000	50,000,000.00	50,301,271.36	50,342,000.00	40,728.64	442,065.22
2783	CA IMPERIAL BK	.000000	.993442	06/01/17	99.633333	75,000,000.00	74,752,500.00	74,724,999.75	-27,500.25	745,081.71
1609	FHLMC BULLET	1.000000	.977087	06/29/17	100.168000	23,778,000.00	23,780,156.72	23,817,947.04	37,790.32	232,331.75
1613	FHLMC BULLET	1.000000	.963425	06/29/17	100.168000	25,000,000.00	25,003,625.28	25,042,000.00	38,374.72	240,856.13
1734	US TREASURY NOTE	.750000	.950970	06/30/17	100.054000	50,000,000.00	49,959,701.82	50,027,000.00	67,298.18	475,485.12
2423	US TREASURY NOTE	2.500000	.923011	06/30/17	100.781000	50,000,000.00	50,319,077.85	50,390,500.00	71,422.15	461,505.26
2371	BANK OF MONTREAL C	1.300000	1.083873	06/14/17C	100.044000	5,560,000.00	5,564,536.31	5,562,446.40	-2,089.91	60,263.35
1369	FREDDIE MAC CALLAB	1.000000	1.022914	07/25/14C	100.163000	50,000,000.00	49,995,671.25	50,081,500.00	85,828.75	511,456.96
2658	FFCB DISCOUNT NOTE	.000000	.643777	07/27/17	99.692000	51,500,000.00	51,338,862.22	51,341,380.00	2,517.78	331,545.06
1572	US Treasury Note	.500000	.595581	07/31/17	99.926000	50,000,000.00	49,976,759.97	49,963,000.00	-13,759.97	297,790.25
2782	CA IMPERIAL BK	.000000	1.207892	08/10/17	99.393056	50,000,000.00	49,683,333.33	49,696,528.00	13,194.67	603,945.79
1573	US Treasury Note	.625000	.610249	08/31/17	99.922000	50,000,000.00	50,004,189.16	49,961,000.00	-43,189.16	305,124.36
1745	US TREASURY NOTE	.625000	1.000148	08/31/17	99.922000	50,000,000.00	49,893,870.41	49,961,000.00	67,129.59	500,073.95
1628	Federal Farm Credi	1.125000	1.125000	09/05/17	100.206000	34,900,000.00	34,900,000.00	34,971,894.00	71,894.00	392,625.00
1406	FED HOME LN BANK	.750000	.916458	09/08/17	100.038000	18,980,000.00	18,961,510.59	18,987,212.40	25,701.81	173,943.73
1408	FED HOME LN BANK	.750000	.914838	09/08/17	100.038000	26,415,000.00	26,389,516.63	26,425,037.70	35,521.07	241,654.38
2191	US BANK NA OHIO CA	1.375000	1.087077	08/11/17C	100.040000	25,000,000.00	25,038,349.03	25,010,000.00	-28,349.03	271,769.24
2240	US BANK NA CALLABL	1.375000	1.251635	08/11/17C	100.040000	15,000,000.00	15,009,854.15	15,006,000.00	-3,854.15	187,745.25
1614	FFCB BULLET	1.550000	1.098833	09/18/17	100.534000	19,200,000.00	19,252,991.06	19,302,528.00	49,536.94	210,975.84
1416	Fannie Mae Callabl	1.000000	1.002055	09/20/13C	100.168000	50,000,000.00	49,999,571.72	50,084,000.00	84,428.28	501,027.27
1724	US TREASURY NOTE	.625000	1.025357	09/30/17	99.914000	50,000,000.00	49,870,674.06	49,957,000.00	86,325.94	512,678.56
1744	US TREASURY NOTE	.625000	1.034441	09/30/17	99.914000	50,000,000.00	49,867,751.37	49,957,000.00	89,248.63	517,220.54

KING COUNTY TREASURY OPERATIONS
SEATTLE, WASHINGTON

P O R T F O L I O D E T A I L F I N A N C I A L A N A L Y S I S
AS OF 1/31/17

(MANFIN)

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SORTING ORDER: MATD

RUN: 02/02/17 09:58:21

** FIXED INCOME **

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
1615	FHLB BULLET	1.500000	1.134972	10/10/17	100.500000	32,950,000.00	33,030,579.46	33,114,750.00	84,170.54	373,973.38
2334	ROYAL BK CANADA	1.400000	1.403863	10/13/17	99.984000	15,000,000.00	14,999,593.07	14,997,600.00	-1,993.07	210,579.45
1411	FANNIE MAE	.875000	.919048	10/26/17	100.067000	50,000,000.00	49,984,298.39	50,033,500.00	49,201.61	459,523.96
2318	US TREASURY NOTE	.875000	.893174	11/15/17	100.066000	50,000,000.00	49,992,913.45	50,033,000.00	40,086.55	446,587.06
2478	US Treasury Note	.625000	.802706	11/30/17	99.844000	100,000,000.00	99,854,382.32	99,844,000.00	-10,382.32	802,706.40
2777	FRE DISCOUNT NT	.000000	.775156	12/01/17	99.352000	100,000,000.00	99,351,916.67	99,352,000.00	83.33	775,156.29
2320	US TREASURY NOTE	1.000000	.906428	12/15/17	100.148000	50,000,000.00	50,040,017.62	50,074,000.00	33,982.38	453,214.00
2276	BANK NOVA SCOTIA C	1.375000	1.499982	11/18/17C	99.911000	25,000,000.00	24,973,210.99	24,977,750.00	4,539.01	374,995.62
1467	FANNIE MAE	.875000	.872335	12/20/17	99.975000	50,000,000.00	50,001,146.85	49,987,500.00	-13,646.85	436,167.35
2786	FRE DISCOUNT NT	.000000	.806036	01/02/18	99.256000	100,000,000.00	99,255,555.55	99,256,000.00	444.45	806,036.32
2321	US TREASURY NOTE	.875000	.931048	01/15/18	99.996000	50,000,000.00	49,973,643.12	49,998,000.00	24,356.88	465,524.21
2712	FED FARM CREDIT	.720000	.760002	01/16/18	99.746000	43,635,000.00	43,618,462.14	43,524,167.10	-94,295.04	331,626.80
2564	WELLS FARGO BANK	1.650000	1.343175	01/22/18	100.145000	20,000,000.00	20,058,601.32	20,029,000.00	-29,601.32	268,634.99
2103	US Bank NA Callab	1.350000	1.312034	12/26/17C	99.959000	11,500,000.00	11,503,941.98	11,495,285.00	-8,656.98	150,883.87
2120	US BANK NA OHIO CA	1.350000	1.248811	12/26/17C	99.959000	27,225,000.00	27,249,882.03	27,213,837.75	-36,044.28	339,988.86
2643	US BANK NA OHIO CA	1.350000	1.006628	12/26/17C	99.959000	24,462,000.00	24,541,266.72	24,451,970.58	-89,296.14	246,241.35
2180	US TREASURY NOTE	1.000000	.838724	02/15/18	100.094000	65,000,000.00	65,107,131.61	65,061,100.00	-46,031.61	545,170.58
2382	US TREASURY NOTE	.750000	.883732	02/28/18	99.820000	50,000,000.00	49,929,008.98	49,910,000.00	-19,008.98	441,865.77
2185	FED HOME LN BANK	1.375000	.994011	03/09/18	100.451000	50,800,000.00	51,008,917.77	51,029,108.00	20,190.23	504,957.77
2389	US Treasury Note	1.000000	.916246	03/15/18	100.066000	50,000,000.00	50,046,055.74	50,033,000.00	-13,055.74	458,122.80
2164	BANK OF AMERICA	1.650000	1.518078	03/26/18	100.072000	25,000,000.00	25,036,755.87	25,018,000.00	-18,755.87	379,519.53
2165	BANK OF AMERICA	1.650000	1.507939	03/26/18	100.072000	20,000,000.00	20,031,672.60	20,014,400.00	-17,272.60	301,587.79
2531	US Treasury Note	.875000	.809877	03/31/18	99.938000	100,000,000.00	100,074,682.22	99,938,000.00	-136,682.22	809,876.86
2654	US TREASURY NOTE	2.875000	.810066	03/31/18	102.219000	50,000,000.00	51,187,176.18	51,109,500.00	-77,676.18	405,033.13
2264	BANK OF MONTREAL C	1.450000	1.593072	03/09/18C	99.851000	15,376,000.00	15,350,606.41	15,353,089.76	2,483.35	244,950.69
2390	US Treasury Note	.750000	.945737	04/15/18	99.758000	50,000,000.00	49,884,215.06	49,879,000.00	-5,215.06	472,868.67
2516	FED FARM CREDIT	.750000	.818121	04/18/18	99.607000	50,000,000.00	49,959,255.43	49,803,500.00	-155,755.43	409,060.27
2381	US TREASURY NOTE	.625000	.924096	04/30/18	99.559000	50,000,000.00	49,816,844.78	49,779,500.00	-37,344.78	462,047.79
2393	US TREASURY NOTE	1.000000	1.040797	05/15/18	100.035000	50,000,000.00	49,974,223.84	50,017,500.00	43,276.16	520,398.33
1577	Freddie Mac Callab	.950000	1.036413	05/22/15C	99.531000	23,800,000.00	23,773,997.27	23,688,378.00	-85,619.27	246,666.22
2222	PNC BANK NA	1.600000	1.622972	05/02/18C	99.946000	30,000,000.00	29,991,105.34	29,983,800.00	-7,305.34	486,891.58
2394	US TREASURY NOTE	1.125000	1.068586	06/15/18	100.160000	50,000,000.00	50,037,838.96	50,080,000.00	42,161.04	534,292.76
2592	FREDDIE MAC CALLAB	1.060000	1.060000	09/22/16C	99.656000	50,000,000.00	50,000,000.00	49,828,000.00	-172,000.00	530,000.00
2598	FREDDIE MAC CALLAB	1.000000	1.000000	12/29/16C	99.936000	50,000,000.00	50,000,000.00	49,968,000.00	-32,000.00	500,000.00
2269	TORONTO DOMINION B	1.750000	1.784038	07/23/18	100.111000	35,000,000.00	34,983,022.75	35,038,850.00	55,827.25	624,413.27
2324	TORONTO DOM BANK	1.750000	1.759103	07/23/18	100.111000	14,529,000.00	14,527,049.50	14,545,127.19	18,077.69	255,580.07
2622	FREDDIE MAC CALLAB	1.050000	1.072803	07/27/18	99.837000	50,000,000.00	49,983,325.35	49,918,500.00	-64,825.35	536,401.27
2623	FANNIE MAE CALLABL	.875000	.977744	07/27/17C	99.256000	50,000,000.00	49,924,778.75	49,628,000.00	-296,778.75	488,871.77
2277	ROYAL BK CANADA	1.800000	1.804127	07/30/18	100.217000	25,000,000.00	24,998,510.93	25,054,250.00	55,739.07	451,031.81
2279	BANK OF MONTREAL	1.800000	1.847154	07/31/18	100.130000	20,000,000.00	19,986,375.00	20,026,000.00	39,625.00	369,430.83
2612	BANK OF MONTREAL	1.800000	1.275150	07/31/18	100.130000	20,000,000.00	20,154,037.67	20,026,000.00	-128,037.67	255,029.94
2653	Bank of Montreal	1.350000	1.352052	08/28/18	99.413000	30,000,000.00	29,999,056.79	29,823,900.00	-175,156.79	405,615.61

KING COUNTY TREASURY OPERATIONS
SEATTLE, WASHINGTON

P O R T F O L I O D E T A I L F I N A N C I A L A N A L Y S I S
AS OF 1/31/17

(MANFIN)

PAGE: 3

SORTING ORDER: MATD

RUN: 02/02/17 09:58:21

** FIXED INCOME **

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
2714	US TREASURY NOTE	1.375000	.867782	09/30/18	100.434000	100,000,000.00	100,833,087.46	100,434,000.00	-399,087.46	867,781.95
2673	FREDDIE MAC	.875000	.895912	10/12/18	99.478000	75,000,000.00	74,973,636.90	74,608,500.00	-365,136.90	671,933.81
2711	FED FARM CREDIT	.850000	.915002	10/25/18	99.299000	98,101,000.00	97,991,987.97	97,413,311.99	-578,675.98	897,625.92
2659	US TREASURY NOTE	1.250000	.825593	11/15/18	100.156000	50,000,000.00	50,374,447.49	50,078,000.00	-296,447.49	412,796.26
2613	ROYAL BK CANADA	2.000000	1.355011	12/10/18	100.438000	25,000,000.00	25,292,850.87	25,109,500.00	-183,350.87	338,752.87
2713	US TREASURY NOTE	1.250000	.898009	12/15/18	100.113000	100,000,000.00	100,649,687.50	100,113,000.00	-536,687.50	898,008.82
1725	US TREASURY NOTE	1.500000	1.520113	12/31/18	100.563000	50,000,000.00	49,981,409.82	50,281,500.00	300,090.18	760,056.29
2445	BANK NOVA SCOTIA	1.950000	1.991060	01/15/19	100.241000	30,000,000.00	29,976,775.44	30,072,300.00	95,524.56	597,318.06
2522	US Treasury Note	1.125000	.885685	01/15/19	99.848000	50,000,000.00	50,230,017.87	49,924,000.00	-306,017.87	442,842.52
2451	TORONTO DOM BANK	1.950000	1.980013	01/22/19	100.273000	35,000,000.00	34,979,996.36	35,095,550.00	115,553.64	693,004.59
2660	US TREASURY NOTE	1.250000	.840709	01/31/19	100.059000	39,000,000.00	39,314,435.45	39,023,010.00	-291,425.45	327,876.43
2540	FANNIE MAE	1.000000	1.041990	02/26/19	99.390000	100,000,000.00	99,914,569.64	99,390,000.00	-524,569.64	1,041,989.97
2706	US TREASURY NOTE	1.625000	.960279	03/31/19	100.734000	100,000,000.00	101,415,589.69	100,734,000.00	-681,589.69	960,279.19
2521	Royal BK Canada	1.625000	1.643864	04/15/19	99.301000	40,000,000.00	39,983,866.66	39,720,400.00	-263,466.66	657,545.73
2732	US TREASURY NOTE	3.125000	1.225212	05/15/19	104.035000	50,000,000.00	52,132,117.58	52,017,500.00	-114,617.58	612,605.92
2614	WELLS FARGO BANK	1.750000	1.272829	05/24/19	99.605000	50,000,000.00	50,538,799.03	49,802,500.00	-736,299.03	636,414.58
2657	WELLS FARGO BANK	1.750000	1.405147	05/24/19	99.605000	25,000,000.00	25,194,437.76	24,901,250.00	-293,187.76	351,286.75
2532	US Treasury Note	1.500000	1.008230	05/31/19	100.410000	50,000,000.00	50,561,507.92	50,205,000.00	-356,507.92	504,114.78
2709	US TREASURY NOTE	1.625000	.973093	06/30/19	100.641000	100,000,000.00	101,547,236.68	100,641,000.00	-906,236.68	973,093.39
2727	US TREASURY NOTE	.750000	1.201343	07/15/19	98.559000	50,000,000.00	49,456,930.67	49,279,500.00	-177,430.67	600,671.53
2627	ROYAL BK CANADA	1.500000	1.539030	07/29/19	98.799000	50,000,000.00	49,952,734.24	49,399,500.00	-553,234.24	769,515.00
2608	TORONTO DOM BANK	1.450000	1.453116	08/13/19	98.677000	20,000,000.00	19,998,524.53	19,735,400.00	-263,124.53	290,623.29
2664	CAN IMPERIAL BK	1.600000	1.606170	09/06/19	98.986000	30,000,000.00	29,995,329.88	29,695,800.00	-299,529.88	481,850.93
2693	US TREASURY NOTE	.875000	1.034103	09/15/19	98.688000	100,000,000.00	99,590,513.71	98,688,000.00	-902,513.71	1,034,103.07
2695	US TREASURY NOTE	1.000000	1.000000	09/30/19	98.977000	100,000,000.00	100,000,000.00	98,977,000.00	-1,023,000.00	1,000,000.00
2565	PNC BANK NA CALLAB	2.400000	1.830387	09/18/19C	100.846000	15,000,000.00	15,221,773.71	15,126,900.00	-94,873.71	274,558.12
2568	PNC BANK NA CALLAB	2.400000	1.832954	09/18/19C	100.846000	5,000,000.00	5,073,589.38	5,042,300.00	-31,289.38	91,647.70
2703	FANNIE MAE	1.000000	1.091132	10/24/19	98.680000	100,000,000.00	99,756,252.29	98,680,000.00	-1,076,252.29	1,091,132.43
2002	US BANK NA OHIO CA	2.125000	2.144078	09/28/19C	100.425000	25,000,000.00	24,987,690.27	25,106,250.00	118,559.73	536,019.57
2121	US BANK NA OHIO CA	2.125000	2.005089	09/28/19C	100.425000	20,000,000.00	20,061,414.73	20,085,000.00	23,585.27	401,017.89
2729	FED HOME LN BANK	1.375000	1.382876	11/15/19	99.635000	35,000,000.00	34,992,509.75	34,872,250.00	-120,259.75	484,006.74
2781	US TREASURY NOTE	1.375000	1.504545	01/15/20	99.703000	100,000,000.00	99,627,075.65	99,703,000.00	75,924.35	1,504,544.64
2788	APPLE INC	1.550000	1.810661	02/07/20	98.971000	14,034,000.00	13,927,060.92	13,889,590.14	-37,470.78	254,108.19
2490	US Treasury Note	1.500000	1.432685	05/31/20	99.723000	100,000,000.00	100,216,012.07	99,723,000.00	-493,012.07	1,432,685.42
695	FNR 2003-30 LB	5.000000	4.634180	03/25/32	106.383000	1,206,974.96	1,231,336.09	1,284,016.17	52,680.08	55,933.40
701	FNR 2003-33 PT	4.500000	4.255767	05/25/33	107.239000	1,720,354.00	1,744,914.75	1,844,890.43	99,975.68	73,214.26
702	FNR 2003-33 UP	4.500000	4.255767	05/25/33	105.783000	1,186,127.92	1,203,061.76	1,254,721.70	51,659.94	50,478.84
703	FNR 2003-33 PU	4.500000	4.255767	05/25/33	107.326000	1,507,556.70	1,529,079.43	1,618,000.30	88,920.87	64,158.10
G R A N D T O T A L S		.957104	.975305	FEB 2018	99.929184	6,252,994,809.17	6,259,504,348.90	6,248,372,282.65	-11,132,066.25	60,975,874.21

Victoria Recovery Status as of 1/31/2017

Original Cost	\$51,937,149
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Original Par	\$53,300,000	
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Less Accrued not distributed	\$420,537	
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Adjusted Par	\$52,879,463
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Recovered to date	\$44,451,405	84.1%
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Current Par Amount Outstanding	\$8,428,058
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Current Cost Outstanding	\$7,485,743
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Cash Receipts:

	2008	\$7,990,692.29
	2009	\$6,910,588.46
	2010	\$5,443,668.21
	2011	\$7,793,105.01
	2012	\$4,820,226.87
	2013	\$3,388,703.17
	2014	\$3,696,981.20
	2015	\$2,778,796.49
	2016	\$1,526,846.94
	2017	\$101,796.54
	Total	\$44,451,405.18

**Impaired Pool
Holdings Report
1/31/2017**

Commercial Paper Issuer	Status	Current Book Value	Estimated Fair Value	Fair Value Adjustment
Cheyne Finance (1)	Restructured - Cash Out	787,502.14	507,750.00	279,752.14
Rhinebridge (1)	Restructured - Cash Out	84,407.60	84,407.60	-
Victoria Finance (VFNC Trust) (2)	Restructured - Receiving Monthly Cash Payments	8,428,057.82	5,276,158.00	3,151,899.82
Total		9,299,967.56	5,868,315.60	3,431,651.96
Fair Value Ratio			0.6310	

(1) After consulting with the County's financial advisor, the County choose to select the "cash out" option for the Cheyne and Rhinebridge restructurings. However, the Receivers for these programs held back a portion of the cash for various indemnifications. The fair values shown on this report represent the County's potential cash recovery from the amounts being retained by the Receivers. Rhinebridge may make one last small payment later this year.

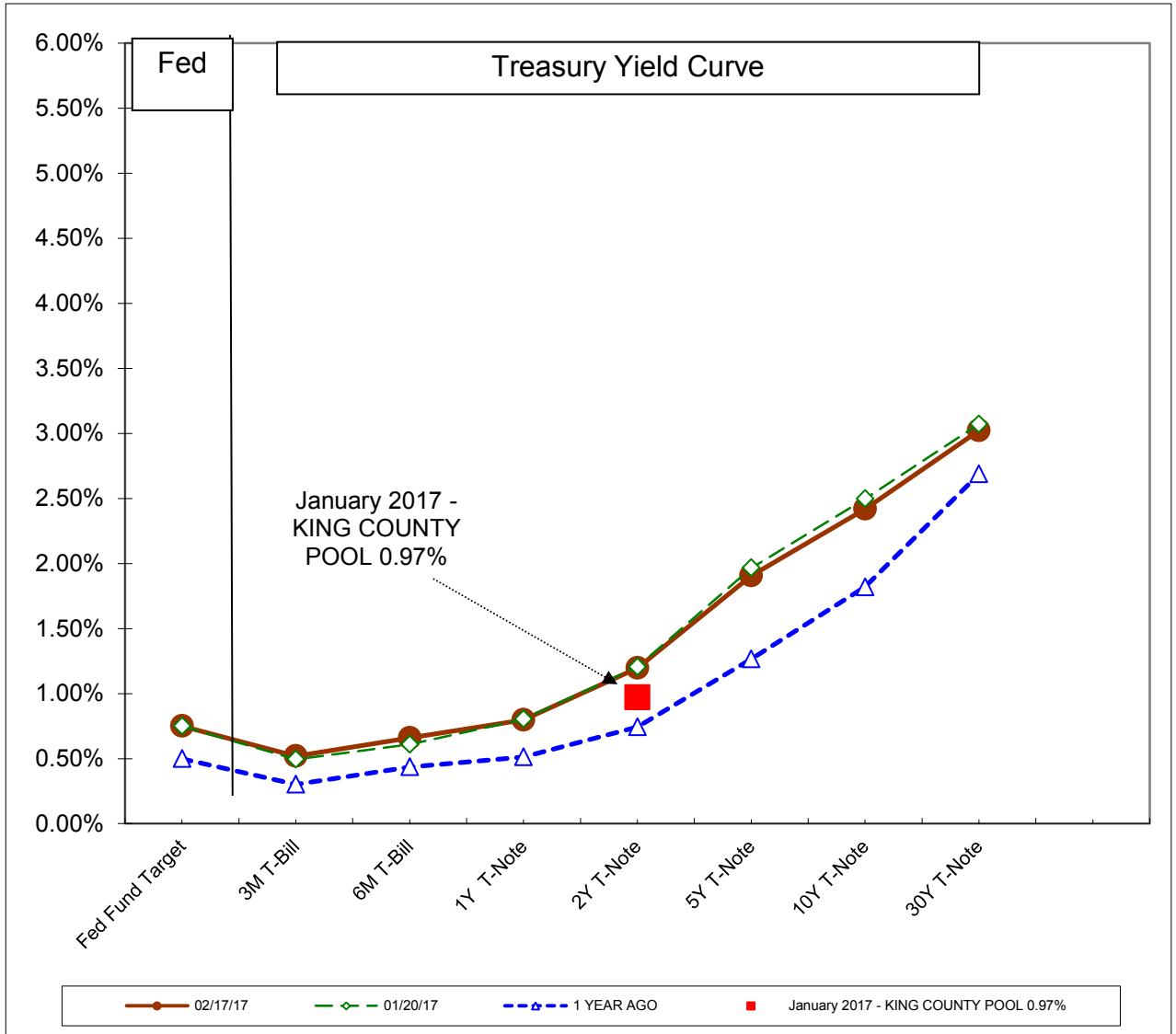
(2) During September 2009, the County completed the restructuring process for Victoria. Based on consultations with legal and financial experts, the County elected to participate in an "Exchange Offer" in which the County's pro rata share of assets in Victoria were transferred to a new company titled VFNC Trust. At the time of Victoria's restructuring the County's financial advisor estimated that by participating in the exchange offer that the overall recovery rate could be between 50 to 76 percent, and potentially higher. The VFNC Trust investment replaced Victoria in the "impaired pool" and it continues to make monthly cash distributions. It is expected that future monthly distributions will continue for at least 5 or 6 more years, or as long as the underlying securities continue to make cash payments. We do not foresee distributing any realized losses related to Victoria until it is apparent that no further cash flows will be forthcoming. Adding the cash recoveries through January and assuming that the asset could be sold at the assumed prices for the underlying securities, the current estimated total recovery would be approximately 94% of the original investment's adjusted par amount.

Combined Earnings History for Impaired and Non-Impaired Pools

	(A)	(B)	(A) + (B)
	<i>Distributed Realized Gains/Losses Resulting from Impaired Investments Purchased in 2007 ⁽³⁾</i>	<i>Total Pool Earnings Distribution</i>	<i>Net Pool Earnings Distributed</i>
YTD 2017	\$0	\$4,914,847	\$4,914,847
2016	\$189,049	\$50,641,904	\$50,830,953
2015	(\$427,263)	\$33,344,087	\$32,916,824
2014	\$0	\$26,330,761	\$26,330,761
2013	\$0	\$24,331,721	\$24,331,721
2012	(\$1,204,894)	\$25,978,721	\$24,773,827
2011	\$0	\$29,270,651	\$29,270,651
2010	\$0	\$42,160,462	\$42,160,462
2009	\$0	\$71,036,470	\$71,036,470
2008	(\$73,296,907)	\$135,838,883	\$62,541,976
2007	\$0	\$199,099,971	\$199,099,971
2006	\$0	\$165,576,358	\$165,576,358

(3) Figures have not been adjusted for recoveries from legal settlements.

INTEREST RATE SUMMARY



	02/17/17	01/20/17	1 YEAR AGO
Fed Fund Target	0.75%	0.75%	0.50%
3M T-Bill	0.52%	0.50%	0.30%
6M T-Bill	0.66%	0.61%	0.44%
1Y T-Note	0.80%	0.80%	0.51%
2Y T-Note	1.20%	1.21%	0.74%
5Y T-Note	1.91%	1.97%	1.27%
10Y T-Note	2.42%	2.50%	1.82%
30Y T-Note	3.02%	3.07%	2.69%

King County Executive Finance Committee

Interfund Borrowing Report for EFC, Feb 22, 2017 (Jan-2017 period)

Below is a summary of the causes of the current deficit cash balances.

Funds listed in Black have a description of the cause of the deficit; funds listed in Blue have an EFC-approved loan in place.

Items in Green have not yet been analyzed or needs to be revisited; items in Red appear unusual in nature and should be discussed during today's meeting.

Interest on Interfund Loans - County Tier 2 Funds Paying Interest						
	Item #	Fund No.	AVG Borrowed	Fund Name	Description	
E	A1	00-000-001-0	(8,074,613.13)	CURRENT EXPENSE SUB-FUND	Spending prior to revenue collection	
D	A2	00-000-126-0	(1,860.56)	ALCOHOLISM/SUBSTANCE ABSE	Transaction errors in fund slated for closure	
APPRV'D	A3	00-000-180-0	(8,711,421.12)	PUBLIC HEALTH	Approved interfund loan in place	
Pooled Tier 1 Funds with Negative Cash Balances						
	Item #	Fund No.	Lowest Cash	Average Cash	Fund Name	Description
E	B1	00-000-106-0	(216,368.03)	(10,079.02)	VETERANS RELIEF	Pending receipt of taxes
F	B2	00-000-121-0	(2,073,133.77)	(832,125.26)	SHARED SERVICES FUND	Pending transfer from 121-1
B	B3	00-000-134-6	(37,301.31)	22,615.68	DPER GENERAL PUBLIC SERVICES	Pending reimbursement of Jan costs.
APPRV'D	B4	00-000-139-6	(10,495,313.03)	(10,495,306.45)	RISK ABATEMENT/2006 FUND	Approved interfund loan in place
B	B5	00-000-141-5	(298,352.75)	(252,281.97)	PARKING FACILITIES	Pending reimbursement of Jan usage charges
B	B6	00-000-156-1	(2,015,590.05)	(1,494,748.24)	KC FLD CNTRL OPR CONTRACT	Reimbursement from District has long approval process
B	B7	00-000-189-0	(2,787,165.50)	(2,208,600.24)	PUBLIC HEALTH ADMINISTRATION F	Pending charge-back to other DPH funds
B	B8	00-000-316-0	(29,256.80)	10,549.16	FMD-PARKS,REC,OPEN SPACE	Pending reimbursement of late Jan charges
APPRV'D	B9	00-000-331-0	(2,447,961.43)	(1,905,664.08)	LONG-TERM LEASES	Pending reimbursement of prepayments made in Dec.
B	B10	00-000-349-0	(229,622.91)	(209,720.85)	FMD - PARKS FACILITIES REHAB	Pending revenue transfer
B	B11	00-000-352-2	(304,998.86)	(191,097.96)	OS KC NON BND FND SUBFUND	Pending revenue transfer
A	B12	00-000-357-1	(17,652,182.07)	(14,947,342.59)	KC FLD CNTRL CAP CONTRACT	Reimbursement from District has long approval process
F	B13	00-000-361-2	(390.00)	(18.23)	WTD INTERNALLY FINANCED PROJEI	Pending transfer from 361-1
APPRV'D	B14	00-000-390-1	(3,116,834.43)	(2,618,459.43)	SOLID WASTE CONSTRUCTION	Approved bridge loan in place
F	B15	00-000-404-1	(88,102.96)	(29,052.69)	CONSTRUCTION AND DEMO PROGR	Pending transfer from operating fund
D	B16	00-000-545-7	(318,994.07)	(219,064.10)	EMPLOYEES DEF COMP ADMIN	Correcting entry processed late in Jan. EOM cash is positive
D	B17	00-000-624-7	(1,192.38)	33,875.02	LAKE WASH SD414 IMPCT FEE	Over-allocation to district.
F	B18	00-000-892-0	(361,693.54)	8,637,896.22	WATER QUALITY REV BOND	Timing difference; fund has positive cash at EOM
Excluded County Funds with Negative Cash Balances - Tier 2 Funds Not Paying Interest						
	Item #	Fund No.	Lowest Cash	Average Cash	Fund Name	Description
B	C1	00-000-216-9	(13,463.71)	(11,433.13)	BYRNE JAG GRANT FFY 2014	Pending grant reimbursement
F	C2	00-000-246-0	(2,234,037.09)	(1,738,478.37)	FED HOUSNG & COMM DEV FND	Pending grant reimbursement
APPRV'D	C3	00-000-395-1	(4,089,176.82)	(3,251,143.30)	BLDG REPAIR/REPL SUBFUND	Approved interfund loan in place + pending revenue collection
B	C4	00-000-667-0	(50,454.37)	(14,648.02)	DEBT SERVICE CLEARING FND	Timing difference
D	C5	00-000-699-0	(26,135.42)	7,323.30	ASSMT DISTRIBTN / REFUND	Pending special distribution

A: Reimbursement funds - reimbursements are collected periodically from other Agencies
B: Reimbursement funds - pay expenditures first, get reimbursed later, internal to the county
C: Subfund cash transfers - different subfunds within one Agency
D: Known accounting or cash transfer error
E: Anticipated seasonality of receipts
F: Timing issue of receipts and disbursements

Thanks - if you have questions please contact me at manny.cristobal@kingcounty.gov

Interfund Loans to District & Non-County Funds

January 2017

Fund Number	Fund Name	Average Borrowed	Average Cash Balance	Total Borrowed	
060013010	SEATTLE SCH CAP PROJ FUND	(\$1,438,189.40)	\$2,690,551.03	(\$7,190,947.02)	<= Now Positive
064048400	SKYKOMISH SCH LTD GO BOND	(\$0.01)	(\$0.01)	(\$0.31)	<= Not Material
064150010	KENT SCH GENERAL REG FUND	(\$820,731.24)	\$942,881.33	(\$10,669,506.06)	<= Contacted District
070360010	BELLEVUE GEN TAX REG FUND	(\$1,873.50)	\$821,426.84	(\$13,114.50)	<= Non-District Fund
070454010	BOTHELL DRAINAGE UTILITY	(\$5,720.00)	\$4,712.69	(\$5,720.00)	<= Non-District Fund
070458510	BOTHELL G O BOND FUND	(\$2.87)	\$57.32	(\$14.35)	<= Non-District Fund
070530010	BURIEN GENERAL	(\$311.52)	\$45,987.14	(\$311.52)	<= Non-District Fund
070534010	BURIEN DRAINAGE UTILITY	(\$1,840.19)	\$12,164.81	(\$1,840.19)	<= Non-District Fund
070804010	COVINGTON DRAINAGE UTILIT	(\$3,627.52)	\$5,221.76	(\$3,627.52)	<= Non-District Fund
071640010	FEDERAL WAY GEN TAX REG	(\$2,866.09)	\$79,711.72	(\$48,723.58)	<= Non-District Fund
071640020	FEDERAL WAY LIFT REV	(\$3.41)	(\$3.07)	(\$95.41)	<= Non-District Fund
071644010	FED WAY DRAINAGE UTILITY	(\$7,989.79)	\$10,947.41	(\$7,989.79)	<= Non-District Fund
071647020	FED WAY NORTHLAKE LMD #2	(\$720.00)	(\$209.03)	(\$6,480.00)	<= Non-District Fund
072804010	CITY OF KENMORE DRAINAGE	(\$4,506.56)	\$3,782.90	(\$4,506.56)	<= Non-District Fund
073050010	KENT GEN TAX REG C	(\$3,298.26)	\$268,123.74	(\$59,368.71)	<= Non-District Fund
073094010	KIRKLAND DRAINAGE UTILITY	(\$25,325.08)	\$18,458.62	(\$25,325.08)	<= Non-District Fund
073098510	KIRKLAND G O BOND FUND	(\$13.08)	\$196.05	(\$52.30)	<= Non-District Fund
073310010	LAKE FOREST PK GN TX RG C	(\$1,008.42)	\$11,223.87	(\$5,042.10)	<= Non-District Fund
073314010	LAKE FRST DRAINAGE UTLY	(\$1,610.62)	\$1,436.47	(\$1,610.62)	<= Non-District Fund
073504010	MAPLE VALLEY DRAIN UTILIT	(\$3,592.30)	\$2,594.57	(\$3,592.30)	<= Non-District Fund
073660010	MERCER ISLAND GN TX REG C	(\$193.37)	\$59,973.88	(\$386.74)	<= Non-District Fund
073854010	NEWCASTLE DRAINAGE UTILTY	(\$2,513.45)	\$1,116.46	(\$2,513.45)	<= Non-District Fund
074054010	NORMANDY PARK DRAIN UTIL	(\$1,580.13)	\$1,017.86	(\$1,580.13)	<= Non-District Fund
074060010	NORTH BEND GEN TAX REG T	(\$263.48)	\$7,177.47	(\$2,898.31)	<= Non-District Fund
075300010	SAMMAMISH GEN TAX REG	(\$360.38)	\$190,635.45	(\$1,081.14)	<= Non-District Fund
075304010	SAMMAMISH DRAINAGE UTIL	(\$14,227.47)	\$6,990.76	(\$14,227.47)	<= Non-District Fund
075420010	SEATAC GEN TAX REG	(\$87.61)	\$65,386.72	(\$525.67)	<= Non-District Fund
075424010	SEA-TAC DRAINAGE UTILITY	(\$2,637.05)	\$8,567.74	(\$2,637.05)	<= Non-District Fund
075450010	SEATTLE GEN TAX REG C	(\$7,457.93)	\$1,999,559.73	(\$14,915.86)	<= Non-District Fund
075451190	SEATTLE EMS TAX FUND	(\$6,941.94)	\$4,552.47	(\$62,477.42)	<= Non-District Fund
075454010	SEATTLE DRAINAGE UTILITY	(\$86,115.68)	\$13,275.43	(\$344,462.71)	<= Non-District Fund
075458510	SEATTLE GO BOND FUND	(\$3,828.41)	\$3,784.07	(\$26,798.84)	<= Non-District Fund
075484010	SHORELINE DRAINAGE UTILIT	(\$7,705.92)	\$11,023.13	(\$7,705.92)	<= Non-District Fund
075488510	2006 SHORELINE BOND	(\$118.63)	\$346.70	(\$711.76)	<= Non-District Fund
075548510	CT OF SNOQUALMIE GO BD	(\$7.02)	\$39.26	(\$35.10)	<= Non-District Fund
075910010	TUKWILA GEN TAX REG C	(\$369.45)	\$288,842.88	(\$2,586.15)	<= Non-District Fund
076514010	WOODINVILLE DRAINAGE UTIL	(\$3,614.22)	\$1,681.37	(\$3,614.22)	<= Non-District Fund
077214010	YARROW POINT DRAINAGE UTIL	(\$105.18)	\$237.36	(\$105.18)	<= Non-District Fund
091043020	WATER 104 CIP 2012	(\$0.04)	(\$0.04)	(\$1.24)	<= Not Material
091238010	WATER 123 REVENUE BOND	(\$999.58)	\$1,031.82	(\$9,995.80)	<= Now Positive
100408400	FD #40 LTD GO BOND	(\$39,394.42)	(\$39,394.42)	(\$1,221,227.14)	<= Now Positive
220010010	DIRECTORS ASSOCIATION	(\$292,191.24)	\$729,852.36	(\$1,168,764.96)	<= Now Positive
Report Total:		(\$2,793,942.46)	\$8,274,964.62	(\$20,937,120.18)	

DEFINITIONS

Total Borrowed

Sum of all daily ending negative cash balances for a fund in a particular month.

Average Borrowed

Total borrowed by a fund divided by the number of days in a particular month that the fund had a negative ending balance.

Average Cash Balance

Sum of all ending cash balances (positive & negative) for an entire month divided by the number of days in that month.

Interfund Borrowings from Surplus King County Cash (Automated System)

01/31/17

Borrowing Entity	Borrowing Fund Number	Fund Name	Reason For Loan & Repayment Method	Loan Amount Authorized	Fund Balance at Month-end	Average Amount Borrowed	Interest Paid in Current Month	Term of Loan	Loan Rate	Lending Entity	Date of EFC Approval
King County	00-000-1341	DPER Abatement Sub-Fund	Clean-up construction materials at processing center on MLK Way South. Repayment from sale of property	<u>Original Loan</u> \$400,000	\$156,821	\$0	\$0	12/31/2018	Pool Rate	King County Surplus Cash	6/24/2015
King County	00-000-1800	Public Health Fund	Unmatched reimbursements. Repayment from grant billings, grantor payments, and environmental health permit payments.	<u>Original Loan</u> \$12,000,000 <u>Revised Amt:</u> \$19,000,000 <u>Revised Amt:</u> \$26,000,000 <u>Revised Amt:</u> \$30,000,000 <u>Revised Amt:</u> \$40,000,000 <u>Revised Amt:</u> \$15,000,000	\$2,960,212	\$8,711,421	(\$1,073)	7/31/2013 10/31/2013 4/30/14 1/31/2015 1/28/2015 12/31/16 12/31/17	Pool Rate	King County Surplus Cash	5/22/2013 7/24/2013 12/4/2013 5/28/2014 12/26/2014 1/28/2015 12/2/2015 12/7/2016
King County	00-000-3310	Long Term Lease Fund	Support Phase 4 of King Street Center work space consolidation. Repayment from lease payments.	<u>Original Loan</u> \$2,000,000	(\$1,468,053)	\$1,905,664	\$1,578	12/31/2023	Pool Rate	King County Surplus Cash	12/7/2016
King County	00-000-3781	KCIT Capital Fund	Fill gap for Mainframe and Unified Communication project not fully covered by bond proceeds.	<u>Original Loan</u> \$5,200,000	\$4,749,237	\$0	\$0	12/31/2019	Pool Rate	King County Surplus Cash	6/25/2014
King County	00-000-3855	County Road Major Maintenance Fund	Short term funding for cash flow requirements in the months leading up to the receipt of property taxes in April and October	<u>Original Loan</u> \$8,000,000	\$2,783,449	\$0	\$0	12/31/2018	Pool Rate	King County Surplus Cash	12/7/2016
King County	00-000-3865	County Road Construction Fund	Short term funding for cash flow requirements in the months leading up to the receipt of property taxes in April and October	<u>Original Loan</u> \$2,000,000	\$1,064,481	\$0	\$0	12/31/2018	Pool Rate	King County Surplus Cash	12/7/2016
King County	00-000-3901	SWD Construction Fund	Bridge loan until bonds can be issued.	<u>Original Loan</u> \$15,000,000	(\$3,116,834)	\$2,618,459	\$2,168	6/30/2017	Pool Rate	King County Surplus Cash	8/24/2016
King County	00-000-3951	Building Repair & Replacement Fund	Support Phase 2 of King Street Center work space consolidation. Repayment from lease payments.	<u>Original Loan</u> \$2,275,600 <u>Revised Amt</u> \$4,976,000	(\$3,853,546)	\$3,251,143	\$2,691	12/31/2020	Pool Rate	King County Surplus Cash	5/27/2015 1/27/16
King County	00-000-5531	KCIT Services Fund	Establish an escrow account for data center bond defeasance. Repayment from existing KCIT rates.	Original Loan \$8,100,000	\$5,699,395	\$0	\$0	12/31/2023	Pool Rate	King County Surplus Cash	2/24/2016
King County	10-063-0010	Renton Regional Fire Authority	The RRFA is a newly established entity and will incur expenses prior to initial tax and FBC collections.	Original Loan \$5,170,000	\$2,167,891	\$0	\$0	12/31/2018	Pool Rate	King County Surplus Cash	9/28/2016

Interfund Borrowings (Direct Loans)

01/31/17

Borrowing Entity	Borrowing Fund Number	Fund Name	Reason For Loan & Repayment Method	Loan Amount Authorized	Loan Outstanding at Month-end	Fund Balance At Month-end	Interest Paid	Term of Loan	Loan Rate	Lending Entity	Date of EFC Approval
King County	00-000-2140	Miscellaneous Grants Fund	Cash flow. Future grant reimbursement.	\$700,000	\$300,000	\$2,191,973	\$0	Open	0%	King County General Fund	11/26/1975
King County	00-000-3160	Parks and Recreation Open Space Construction Fund	Borrowing is necessary to fulfill the legislative intent of Ordinance 17759 - a use agreement with the Ravensdale Park Foundation. Repayment from REET II revenue.	\$1,475,000	\$475,000	(\$29,169)	N/A	12/31/2017	Pool Rate	Parks and Recreation Fund (1451)	3/26/2014